

UK NEWS

Suspended union chief to get his job back

By Diane Summers, Labour Staff

THE GENERAL secretary of Ucat, the troubled construction union, who was suspended from his post in May, is to get his job back from Monday.

Ucat's general council has ruled that Mr Albert Williams was wrongly suspended by the executive.

However, the general council also voted to support an independent investigation into allegations of ballot rigging and the running of the union in recent years. Mr Williams could again face the prospect of suspension when the inquiry, which is being conducted by Mr John Hands QC, reports after the summer.

The suspension of Mr Williams for alleged mismanagement and the inquiry followed elections which brought a move to the left on Ucat's five-man executive. Pay talks with the employers were disrupted by the changes and about a dozen officials left for the rival non-TUC-affiliated ECUFPU electricians' union.

Mr Williams, backed by the commissioner for the rights of trade union members, began a High Court action last month in an effort to get his job back. It is likely, now that the suspension has been lifted, that further legal action by Mr Williams will be dropped.

Ucat's general council, an appeals body which is rarely convened, found that Mr Williams had been wrongly suspended because no misconduct had been proved and the proper procedures not followed.

There is some doubt that Mr Williams will be fit to resume his duties on Monday, he has been ill in hospital for the past week. A statement was read out on his behalf at the seven-hour general council meeting on Thursday night.

He said through his solicitors yesterday: "I'm very pleased that my trust in the general council, the supreme body of the union, has been vindicated." He was said to be expecting to leave hospital this weekend and would return to work "as soon as he is medically fit to do so".

Divisions on TGWU merger plan

By John Gapper, Labour Editor

DIVISIONS within the Transport and General Workers' Union over the proposal to merge with the National Union of Mineworkers were exposed yesterday at the TGWU's biennial delegate conference in Blackpool.

The conference approved a policy of seeking a merger with the NUM, without setting preconditions. However, there were some protests from delegates about accepting Mr Arthur Scargill, NUM president, as a TGWU official.

Mr Ian Hale, a delegate from the TGWU's Yorkshire region, predicted that 100,000 of the union's 1.2m members would leave if Mr Scargill was allowed into the merged union along with the NUM's 53,000 members.

His remarks were denounced by another delegate from the same region as "a deplorable attack on Arthur Scargill".

The debate was part of an attempt by Mr Bill Morris, who has been elected to succeed Mr Ron Todd as TGWU general secretary, to seek a more active merger policy in order to reverse the union's membership decline since 1979 and its deficit of £6.8m.

Mr Scargill has indicated that he would want to be an official in a merged union.

Benefits agency chief presents 'staff charter' plan

By Andrew Adonis

A "STAFF CHARTER" for civil servants to accompany the forthcoming Citizens Charter for consumers is being drawn up by the Social Security Benefits Agency, the largest of the Civil Service's semi-autonomous administrative agencies.

The agency, which has 70,000 employees distributed in 500 offices across the country, expects to publish the charter early in autumn.

It will state about 10 "fundamental principles" governing the working conditions of employees, including commitments to adequate working conditions, to flexible working practices, to consultation for junior employees and to benefits such as health screening for the over-35s.

It is sure to attract keen interest in Whitehall and across the public sector. Attention will focus on whether its principles, and associated redress procedures, go beyond existing contractual and negotiated rights.

Plans for the charter were revealed at an Industrial Society conference yesterday by Mr Michael Richard, newly-appointed chief executive of the Social Security Benefits Agency, and formerly chief executive of Warwickshire county council.

Mr Richard said: "We think it very important to issue a staff charter alongside the Citizens Charter, because unless our staff believe their organisation truly values them, they will not deliver their best."

He said the charter would be accompanied by an "action list" of measures taken by the agency to meet and improve upon the charter. The list would be updated every six months.

"The danger is that the charter will be seen as perks for the boys. That is certainly not the intention," he added.

Trade union reaction to the proposal was non-committal. "It looks like a bit of a gimmick," said Mr Terry Adams, social security secretary of the CPSSA, the largest civil service union.

He added: "None of these grand concepts mean anything unless they are backed up by specific agreements, and we already have a com-

prehensive set of those. My worry is that it might be intended as a means of circumventing the unions altogether."

Mr Jonathan Baume, assistant general secretary of the First Division Association of senior civil servants, said: "We are certainly not opposed in principle. But we will want to see what it says, and have been assured of consultation before it is agreed."

Food price rises prevent further fall in inflation

By Rachel Johnson, Economics Staff

A RISE in seasonal food prices during an exceptionally wet June yesterday prevented headline UK inflation from falling for the first time since September 1980. Then the annual increase in the retail prices index peaked at 10.9 per cent.

Seasonal foods, such as strawberries and other fresh fruit and vegetables, were made scarcer and more expensive by a month of late frosts, little sunshine and almost continuous downpours.

Prices of such produce normally fall in June, but last month their prices rose by 5.8 per cent, the first June rise since 1987 and the biggest since 1983.

This contributed 0.3 percentage points to the all-items index, which increased by 0.4 per cent on May and by 0.5 per cent since June 1990. Home-killed lamb and eggs were cheaper, but not enough to offset rises in other foods.

The jump in seasonal food prices also pushed up underlying inflation. The Treasury's favourite measure, which excludes mortgage-interest payments, rose to 6.9 per cent from 6.4 per cent after four months of steady falls.

The so-called "underlying measure" which also strips out the poll tax, rose to an annual 8.9 per cent in June from a previous 8.7 per cent, the highest for a decade.

The Central Statistical Office, which released the figures yesterday, said food was the "predominant reason" behind the unexpected 5.8 per

cent rise in the June RPI and the other measures. The increase in the index was expected to be about 5.6 per cent, following a drop in mortgage rates on June 1 combined with a general easing of price pressures in the recession, such as aggressive discounting by car manufacturers and early summer sales.

Other factors also caused the inflation rate not to fall as expected. The all-items index excluding food did fall, but only slightly to an annual 6.9 per cent from 6.9 per cent in May.

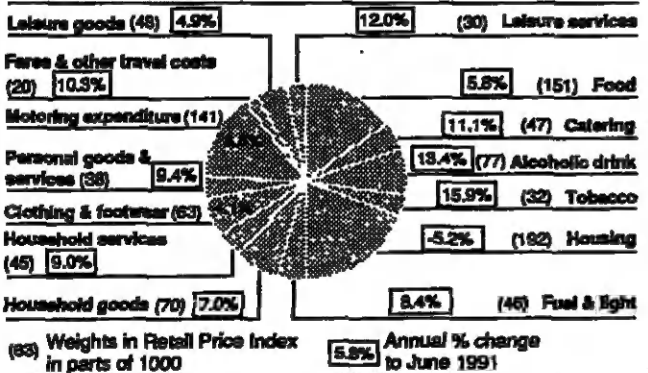
Alcoholic drink prices have increased sharply since the beginning of the year, and were given an added lift by the impact of Budget increases in value added tax and excise duty. A pint of lager has increased in price from £1.29 in January to £1.58, while draught bitter prices rose by 1 per cent in June. Motoring costs also rose, adding almost 0.1 percentage points to the index, and a further phase of increased electricity charges in June also pushed it up.

The outlook for lower inflation, however, is expected to be unchanged. The Treasury said that inflation would fall to 4 per cent by the end of the year.

Yesterday's cut in bank base rates by 0.5 percentage points is unlikely to affect the July index, but to shave off 0.25 percentage points from the RPI in August.

The general index of retail prices (RPI) for June 1991 was 134.1 (1987=100), after 133.5 in May.

UK inflation rate



Kinnoek heralds debate on poll reform

By Philip Stephens, Political Editor

MR NEIL KINNOCK yesterday heralded an intense debate in the Labour party on electoral reform as the supporters of change declared that the momentum had become unstoppable.

The Labour leader, responding to the interim report of a Labour working group on voting reform, said he would recommend to the party's national executive committee that the report provided the basis for an "open and informed debate" among members.

The report, produced under the chairmanship of Professor Raymond Plant, looks at alternatives to the existing first-past-the-post system for elections to the House of Commons and the regional assemblies promised by Labour.

It draws no firm conclusions, but proposes further study of two voting systems in particular, the alternative vote and the additional member system.

The party's national executive will examine the lengthy document on Monday and Mr Larry Whitty, the general secretary, indicated yesterday that he expected a wide-ranging debate on the issue at Labour's annual conference in October. The working party will then reconvene to draw up a final report with firm recommendations next year.

Mr Whitty said that it was uncertain whether the final report would be ready before the general election due by mid-1992. However, the party's commitment to the creation of new regional assemblies meant there was no doubt that the Labour government would "face up" to the issue of voting reform.

The Labour party in Scotland has already backed a proportional voting system for the proposed Scottish assembly in Edinburgh. There is also growing support for the change in the Welsh and Northern Irish assemblies.

Some members of the shadow cabinet believe that for elections to the House of Commons, Mr Kinnoek is keeping his options open until after the general election in the hope of winning some votes from supporters of the Liberal Democrats. Their view is that a Labour victory would effectively kill the debate.

Others, however, believe that now the discussion has been brought into the open, the Labour leadership will find it impossible to resist change.

Mr Robin Cook, the shadow health spokesman and a strong supporter of reform, responded to the report with a prediction that "it is now no longer a question of whether Labour will commit itself to electoral reform but when, and for what reasons".

bottom of its estimate, and a group of horses captured by John Frederick Herring Jr beat its forecast at \$59,300.

A dramatic watercolour *The Destruction of Pompeii's Army* painted by John Martin in 1837, sold for £107,800 at Sotheby's on Thursday, a record for a Martin watercolour. It was bought by the London dealer Christopher Gibbs.

A collection of early English drawings and watercolours assembled by Colin Hunter went for £202,094 at Sotheby's, but with 23 per cent unsold. Another London dealer, Hazlitt Gooden Fox, paid \$55,000 for an evening view of the Bay of Naples in London, drawn by Paul Sandby around 1790, and \$46,200 for *A Life Class at the Royal Academy*, a Thomas Rowlandson watercolour.

Few sectors of the art market have suffered a bigger fall than sporting pictures. But *The Oakley Hunt* by Henry Thomas Allen sold for £77,000, at the

Knick-knacks are left on the shelf

Paul Cheeseright reports on the recession in the giftware industry

WHAT IS the pulse of the giftware business? "Is there one?" shot back Ms Fiona Barclay, owner of Trousseau of Nottingham Lane, surrounded by the lace accessories she manufactures at the National Exhibition Centre in Birmingham.

She was there this week for the International Autumn Fair, the giftware industry's showpiece for the buyers stocking the shops for autumn and Christmas. "Normally at exhibitions we're very busy. This time it's absolutely appalling. We're taking orders but it's very hard work and they're very small," she said.

Times are tough in the UK giftware industry. With a cautious public unwilling to flaunt its spending as it did in the late 1980s, manufacturers and traders have generally ceased to smile. "This is one of the most difficult years I can remember," said Mr Alan Wright, sales agent on the stand of Moorcroft, a Stoke-on-Trent manufacturer of hand-decorated pottery.

The autumn fair, with over 2,000 exhibitors, selling everything from grandfather clocks to household cleansers, from expensive jewellery to t-shirts, attracted some 35,000 trade buyers, about 15 per cent from overseas.

The Americans were here. Walt Disney Attractions made the autumn fair for Tinseltown, which makes wicker goods such as rugs at a North Wales factory. Walt Disney is kitting out some themed villages in Florida. But there were other overseas visitors.

"Monday was the day for export inquiry," said Mr Tom Sowerby of Astonish Products, the Leeds cleaning products company, which can gift-wrap a feather duster for Christmas. "We had them from Spain, Gibraltar, Italy and Dubai." And, in some cases, exports compensate for domestic recession.

"We've snatched back UK sales with exports," said Mr John Stephens, owner of Cotswold Pottery. "We've found a feather duster for Christmas. The majority of sales has been for export this year, mainly the US."

For the majority of exhibitors though, it is the domestic market that counts. The state of the market gives scant solace to a government looking for signs of economic recovery. Mr David Metcalfe, managing director of Trade Promotion Services, which organised the



Model enterprise: Alan Wallis of Surrey at the International Autumn Gift Fair

autumn fair, sees the giftware industry as "the beginning of the economic food chain".

"If the giftware industry picks up, then it's a good indicator that better times are not far off," Mr Metcalfe said. Anecdotal evidence suggests that the better times are not far off.

"So far this year," said Mr Edward Wilkinson of Tinseltown, "we're hitting the targets, but the margins are the difficult thing. We're having to cut prices and do special deals."

Mr Denis Parkinson of Parker Hilton, a jigsaw maker in Manchester, has found that "the orders we're taking from customers - they're only giving us half what they normally would; they're telling us that".

Harassed by high interest rates, retailers, big and small, are keeping their stock levels as low as possible. This has meant that they are cautious about taking on new suppliers and may stay away from trade fairs.

That seems to apply even in the greeting cards business, which goes on and on, recession or not.

Ms Rachel Green, who designs all the cards for her Suffolk company, The Enchanted Garden, said that "the main orders we've taken are to existing customers". Which is

not quite the object of a trade fair which is a forum for showing the corporate flag and obtaining new customers.

In Mr Wright's view, "the top end [of the giftware industry] is more buoyant than the rest of the bottom".

He puts, not surprisingly, Moorcroft at the top end, and observed that its business at the autumn fair had been better than expected.

However, to sell expensive goods is not necessarily a recipe for success. Marie Morrison Jewellery's goods are priced in hundreds rather than tens of pounds.

"I wish I'd stayed at home," said Ms Morrison.

Mr Gordon Petty, a financial adviser, said the main reason for selling Barlow Clowes products worth £2m to 200 of his clients was the security of gifts and a promised rate of return higher than that offered by building societies.

Mr Peter Clowes, Mr Guy Cramer, Mr Peter Naylor and Mr Christopher Newman deny stealing £16.9m from investors in the offshore fund. Mr Clowes, Mr Naylor and Mr Cramer also deny conspiring to make false statements to induce people to invest. The trial will continue on Monday.

THE LABOUR PARTY yesterday declined a £27 cheque sent by the right-wing Freedom Association to secure the release of Mr Terry Fields, Labour MP for Liverpool Broadgreen. Mr Fields was jailed on Thursday for refusing to pay his poll tax. He was nothing to do with this notorious stunt, a party official said.

Mr Robert Key, junior local government minister, said in the Commons: "Labour will continue to lose credibility in this House of Commons and outside until it disowns MPs who do not pay their community charge."

Halesowen steel plant to close

BRITISH STEEL plans early next year to close its tube-finishing plant at Coombs Wood Works, Halesowen, West Midlands, with the loss of 180 jobs.

Closure of the factory, which makes lamp posts, electricity poles, pipes for hydraulic mining machinery and coated pipes for the gas and oil industry, will leave British Steel with three significant plants in the West Midlands.

Coombs Wood's output will be relocated to plants at Corby and Hartlepool which supply it with the basic feedstock for its products.

THE GARSTON AMHURST HEARING

Fraud was a reflection of the 1980s, Old Bailey judge told

By Raymond Hughes, Law Courts Correspondent

A 10-YEAR fraud on investors in the Garston Amhurst investment group was a reflection of the 1980s, an Old Bailey judge was told yesterday.

"This case has its roots in non-regulation; it came to an end because of regulation," said Mr Stephen Solley QC in his mitigation plea on behalf of Mr Decon Wright, the former Garston Amhurst chairman.

Mr Wright and three other Garston Amhurst directors are accused of defrauding over 300 investors of more than £1m between 1980 and 1990.

Mr Wright and Mr James Krekis have pleaded guilty to conspiracy to obtain property from Garston Amhurst investors by deception between August 1 1980 and March 8 1990. Mr Gordon Davies has

admitted conspiracy up to July 1 1985. Mr Wright, Mr Krekis and Mr Andrew Woodhouse have pleaded guilty to conspiracy to steal from Garston Amhurst between August 1 1980 and March 8 1990. Mr Davies has admitted the offence up to July 1 1985.

Mr Wright and Mr Krekis admit dishonestly obtaining £500,000 from the National Financial Management Corporation by deception.

Mr Solley said the four men never managed to get the business right and the fraud began when they got into financial difficulties. They then had genuinely felt they could take themselves out of their dishonesty and repay investors.

He said the primary losses had occurred during the first five years. After a "company doctor" had recommended large-scale cost cutting, Mr Wright and Mr Krekis made efforts to turn the company round.

In 1989, Mr Krekis had earned £100,000 commission and Mr Wright double that, but they had left the money in the company. Mr Solley said that none of the four had made private wealth from 10 years of dishonesty.

Mr Alan Newman QC, for Mr Krekis, said poor administration had resulted in excessive expenditure, with vast payments on such things as rent and telephones, and the directors had "robbed Peter to pay Paul".

The case continues on Monday.

MORGAN GRENFELL

Morgan Grenfell announces that its Base Rate is reduced from 11.5% to 11% per annum with effect from 12 July 1991 until further notice.

All facilities (including regulated consumer credit agreements) with a rate linked to Morgan Grenfell Base Rate will be varied accordingly.

Morgan Grenfell & Co. Limited
Member of The Securities and Futures Authority
23 Great Winchester Street, London EC2P 2AX

SALEROOM

Subdued demand for British art continues

DEMAND for British art has been muted in the past year. Christie's last major auction of the season in this sector, reflecting the caution of dealers and collectors, totalled £1.26m with 40 per cent unsold - typically the second-rate pictures.

All the highest-priced paintings sold within their estimates.

An early Gainsborough landscape of his Suffolk homeland made £165,000, and two Irish paintings of 18th-century scenes in County Offaly realised £132,000 and £110,000.

Few sectors of the art market have suffered a bigger fall than sporting pictures. But *The Oakley Hunt* by Henry Thomas Allen sold for £77,000, at the

bottom of its estimate, and a group of horses captured by John Frederick Herring Jr beat its forecast at \$59,300.

A dramatic watercolour *The Destruction of Pompeii's Army* painted by John Martin in 1837, sold for £107,800 at Sotheby's on Thursday, a record for a Martin watercolour. It was bought by the London dealer Christopher Gibbs.

A collection of early English drawings and watercolours assembled by Colin Hunter went for £202,094 at Sotheby's, but with 23 per cent unsold.

Another London dealer, Hazlitt Gooden Fox, paid \$55,000 for an evening view of the Bay of Naples in London, drawn by Paul Sandby around 1790, and \$46,200 for *A Life Class at the Royal Academy*, a Thomas Rowlandson watercolour.

Few sectors of the art market have suffered a bigger fall than sporting pictures. But *The Oakley Hunt* by Henry Thomas Allen sold for £77,000, at the

bottom of its estimate, and a group of horses captured by John Frederick Herring Jr beat its forecast at \$59,300.

A dramatic watercolour *The Destruction of Pompeii's Army* painted by John Martin in 1837, sold for £107,800 at Sotheby's on Thursday, a record for a Martin watercolour. It was bought by the London dealer Christopher Gibbs.

A collection of early English drawings and watercolours assembled by Colin Hunter went for £202,094 at Sotheby's, but with 23 per cent unsold.

Another London dealer, Hazlitt Gooden Fox, paid \$55,000 for an evening view of the Bay of Naples in London, drawn by Paul Sandby around 1790, and \$46,200 for *A Life Class at the Royal Academy*, a Thomas Rowlandson watercolour.

Few sectors of the art market have suffered a bigger fall than sporting pictures. But *The Oakley Hunt* by Henry Thomas Allen sold for £77,000, at the

bottom of its estimate, and a group of horses captured by John Frederick Herring Jr beat its forecast at \$59,300.

A dramatic watercolour *The Destruction of Pompeii's Army* painted by John Martin in 1837, sold for £107,800 at Sotheby's on Thursday, a record for a Martin watercolour. It was bought by the London dealer Christopher Gibbs.

A collection of early English drawings and watercolours assembled by Colin Hunter went for £202,094 at Sotheby's, but with 23 per cent unsold.

Another London dealer, Hazlitt Gooden Fox, paid \$55,000 for an evening view of the Bay of Naples in London, drawn by Paul Sandby around 1790, and \$46,200 for *A Life Class at the Royal Academy*, a Thomas Rowlandson watercolour.

Few sectors of the art market have suffered a bigger fall than sporting pictures. But *The Oakley Hunt* by Henry Thomas Allen sold for £77,000, at the

bottom of its estimate, and a group of horses captured by John Frederick Herring Jr beat its forecast at \$59,300.

A dramatic watercolour *The Destruction of Pompeii's Army* painted by John Martin in 1837, sold for £107,800 at Sotheby's on Thursday, a record for a Martin watercolour. It was bought by the London dealer Christopher Gibbs.

A collection of early English drawings and watercolours assembled by Colin Hunter went for £202,094 at Sotheby's, but with 23 per cent unsold.

Another London dealer, Hazlitt Gooden Fox, paid \$55,000 for an evening view of the Bay of Naples in London, drawn by Paul Sandby around 1790, and \$46,200 for *A Life Class at the Royal Academy*, a Thomas Rowlandson watercolour.

Few sectors of the art market have suffered a bigger fall than sporting pictures. But *The Oakley Hunt* by Henry Thomas Allen sold for £77,000, at the

bottom of its estimate, and a group of horses captured by John Frederick Herring Jr beat its forecast at \$59,300.

A dramatic watercolour *The Destruction of Pompeii's Army* painted by John Martin in 1837, sold for £107,800 at Sotheby's on Thursday, a record for a Martin watercolour. It was bought by the London dealer Christopher Gibbs.

A collection of early English drawings and watercolours assembled by Colin Hunter went for £202,094 at Sotheby's, but with 23 per cent unsold.

Another London dealer, Hazlitt Gooden Fox, paid \$55,000 for an evening view of the Bay of Naples in London, drawn by Paul Sandby around 1790, and \$46,200 for *A Life Class at the Royal Academy*, a Thomas Rowlandson watercolour.

Few sectors of the art market have suffered a bigger fall than sporting pictures. But *The Oakley Hunt* by Henry Thomas Allen sold for £77,000, at the

bottom of its estimate, and a group of horses captured by John Frederick Herring Jr beat its forecast at \$59,300.

A dramatic watercolour *The Destruction of Pompeii's Army* painted by John Martin in 1837, sold for £107,800 at Sotheby's on Thursday, a record for a Martin watercolour. It was bought by the London dealer Christopher Gibbs.

A collection of early English drawings and watercolours assembled by Colin Hunter went for £202,094 at Sotheby's, but with 23 per cent unsold.

Another London dealer, Hazlitt Gooden Fox, paid \$55,000 for an evening view of the Bay of Naples in London, drawn by Paul Sandby around 1790, and \$46,200 for *A Life Class at the Royal Academy*, a Thomas Rowlandson watercolour.

Few sectors of the art market have suffered a bigger fall than sporting pictures. But *The Oakley Hunt* by Henry Thomas Allen sold for £77,000, at the

bottom of its estimate, and a group of horses captured by John Frederick Herring Jr beat its forecast at \$59,300.

A dramatic watercolour *The Destruction of Pompeii's Army* painted by John Martin in 1837, sold for £107,800 at Sotheby's on Thursday, a record for a Martin watercolour. It was bought by the London dealer Christopher Gibbs.

A collection of early English drawings and watercolours assembled by Colin Hunter went for £202,094 at Sotheby's, but with 23 per cent unsold.

Another London dealer, Hazlitt Gooden Fox, paid \$55,000 for an evening view of the Bay of Naples in London, drawn by Paul Sandby around 1790, and \$46,200 for *A Life Class at the Royal Academy*, a Thomas Rowlandson watercolour.</

Kurds arrested after Turkish embassy siege

By Mark Nicholson and Tim Burt

THE TURKISH embassy in central London was under siege for two hours yesterday when officers were ransacked and slogans daubed on walls and windows. At least 30 Kurdish demonstrators were arrested afterwards.

Demonstrators, including people from the National Liberation Front of Kurdistan, had gathered outside the building in Belgrave Square and a group stormed through the embassy's security doors as they opened at 10.30am.

The incident, among several Kurdish protests across Europe yesterday, follows anger at the killing of 12 people by police in eastern Turkey on Wednesday.

The London demonstrators carried placards denouncing Turkish "genocide" against Kurds, some bearing the name of Vedat Aydın, a Kurdish leader whom they say was killed earlier this month by police in Diyarbakir.

In the Netherlands, Kurdish protesters clashed with police outside the Turkish consulate in Dordrecht, while in Brussels, 50 Kurds briefly occupied the offices of Amnesty International, the human rights group.

In London, the alarm was raised immediately by a police

officer stationed in the square who tried to stop the demonstrators rushing the embassy.

At least 30 of the 45 demonstrators entered the building. The siege ended abruptly at 12.30pm as the demonstrators ran back into the square, where hundreds of riot police were waiting. Embassy staff were in constant contact with police during the siege.

A police helicopter and hundreds of officers, some armed, arrived within minutes to seal off the square, trapping the demonstrators in the embassy with members of the mission's staff and some visitors. Mr Nurver Nures, the Turkish ambassador, and a handful of staff escaped from the back of the embassy.

Kurdish demonstrators outside said later they wanted to storm the building to publicise their case.

The demonstrators are expected to be charged with public order offences and criminal damage.

University places filled rise 7% to reach record

By Andrew Adonis

THE number of UK university places accepted by applicants last year was a record 110,233, almost a 7 per cent increase on 1989.

Figures released by the Universities Central Council on Admissions (UCCA) yesterday showed that the number of applications made to its 66 affiliated institutions was also a record, at 230,894. That represented a 7.8 per cent increase on 1989 in British applications, and an 11 per cent increase in those from overseas.

UK applications rose by

almost a quarter between 1988 and 1990.

Social science courses attracted the highest number of applications, followed by languages, engineering, technology and business studies.

Of the 93,337 places awarded to UK applicants last year, more than 30 per cent were on the basis of A-level qualifications, on an average point score equivalent to grades BBC.

UCCA Statistical Supplement 1989-90. PO Box 28, Cheltenham, Glos. GL50 3SA. 34

Winning bottom line hit by running costs

Paul Cheeseright on the World Student Games which start in Sheffield tomorrow

THE party starts tomorrow. A shame that it will take the next century to clear the bill. Still, hope that the grass grows again when all the guests have finished trampling the lawn.

The World Student Games, or, to give them their posh name, Universiade XVI, will attract 5,500 competitors from 110 countries to Sheffield.

It is what, in the euphoria of relief that the games are happening at all, the organisers call "the largest sports and cultural event ever to be staged in the UK". Sour grapes now to remember that outside the UK, no city was interested in holding them.

No doubt it will be great fun for the competitors. Some countries are clearly more enthusiastic than others. More than 400 athletes are coming from the US, but just one from each of Belize, Denmark and Peru. The athletes can dream their dreams of the international breakthrough. After all, did not the World Student Games throw up the likes of Olga Korbut, Said Aouita, Dave Moorcroft, Duncan Goodhew and Ben Johnson?

Given that this year's student competitors can be anything from 17 to 28-years-old, there will be a sprinkling of current stars such as the Olympic medalists Peter Rono and Robson da Silva. Indeed, the British team will be led by Steve Backley, the javelin champion.

For the world-class competitors, Sheffield will be a little strange. Instead of the five-star hotels and generous appearance money, there will be meals in a marquee and shared accommodation - six to a flat - in the ring-fenced area of what the Sheffield Telegraph called "formerly the most unwanted address in Sheffield". This is the Hyde Park estate, the large tower blocks which brood over the city centre.

Refurbishing the three blocks of Hyde Park for the students is an indication of the financial steps that Sheffield City Council has been prepared to take for the privilege of attracting so many low-spending visitors.

One of the blocks will be demolished afterwards, the other two returned to the public housing stock.



Starting block: the 25,000-capacity Don Valley Stadium where the opening ceremony takes place tomorrow evening

Indeed, arguments about money have been Sheffield's loudest, if inadvertent, publicity in the four years of preparation, especially when Universiade GB, the organising company, collapsed last year and the council imposed direct rule.

Many people have been shocked at the capital cost: a £147m bill for four new sports stadia. Meeting the financial charges starts next year and will be a burden on the poll tax and the son of poll tax for more than the next 20 years.

With the stadia built, arguments about capital costs have become academic. But niggling continues about the running costs, put at £21.7m, with an expected loss of £5m for the council, after the sponsorship money, television receipts and gate takings have been counted.

The latest row has been set off by Conservative demands that the uniforms for the 5,000-plus local volunteers helping out at the games should not be as expensive as that of the officials.

One of the volunteers is Mr Anthony Strong, a lecturer and

trainer in behavioural sciences who donated 15,000 worth of his time to train some of these volunteers in "inter-cultural customer care" - in other words how to sort out a row between a Romanian and a Rwandan. He said the criticism "was scraping the bottom of the barrel". "It's undervaluing the volunteers. Without the volunteers there is no games."

In fact, there seems to be a student area," said Dash, the fashion shop.

There is a festival running alongside the games: Spirit of Ninety One. Ms Mandy Walker, the box office manager, peering at her advance bookings decided that "a lot depends on what happens at the door".

The bookings are strong where you would expect them to be, regardless of the games - shows where local kids draw in their mums and dads, fireworks and lasers at Chatworth House in Derbyshire.

Sheffield then is not yet *en fete*. Indeed the games themselves are scarcely a sell-out. "The opening ceremony is selling well, all the covered seats are gone. There's only open terracing left," said the organisers. That takes place tomorrow evening at the Don Valley Stadium, capacity 25,000. But the covered area is a quarter of the whole. The games, the organisers conceded, "are a ahead".

People who have been buying ahead are the members of the Labour-controlled council who saw the games as a chance to put a regenerating

Sheffield on the map and as a catalyst for the provision of new leisure facilities.

Whether the council will be sighted or foolhardy will be apparent in about five years.

The notion that holding a students' athletics meeting has a lasting effect on world opinion and enhances inward investment prospects is difficult to sustain - who remembers that Universiades XIV and XV were held in Zagreb and Duisberg?

Nor is it certain that by putting down new sports facilities and greening around them in an area of post-industrial dreariness does more than create an oasis. As with much urban regeneration of the 1980s, they constitute piecemeal rather than comprehensive revival.

Against that, Sheffield citizens will be left with some agreeable swimming pools, some new equipment on which to exercise - £15 per month for unlimited usage of the bean bodies fitness suite at Hillsborough Leisure Centre - and an excellent track around which to run as they contemplate their local tax bills.

Assurance given on leasehold legislation

By Ivor Owen, Parliamentary Correspondent

LEGISLATION to benefit at least 1.5m leaseholders of flats would not force the current property owners to accept "confiscatory" prices, Sir George Young, the housing minister, assured the Commons yesterday.

He confirmed that legislation would be introduced as soon as possible for a system of commonhold.

This would give long-leaseholders of flats the collective right to buy the freehold of their homes at market value.

Sir George emphasised that the price paid by leaseholders would not be "market value" but reflect the fact that they held long leases.

The announcement received a general welcome, with opposition MPs contending that its timing had been influenced by the approach of a general election.

Mr William Benyon, Conservative MP for Milton Keynes, highlighted the fact that existing owners of leasehold property would not secure the full value.

He added: "This may buy votes, but it is not equitable." The minister said it was proposed that commonhold should be available for all types of building, whether residential or commercial.

Conversion of existing premises to the commonhold system would be optional, although it might be necessary to make provision to override the objections of a small minority of leaseholders.

Dealing with residential blocks, Sir George said the right to buy the freehold would apply to properties containing two or more flats held by qualifying long-leaseholders.

It would also be conditional on at least two thirds of the flats being held by qualifying long-leaseholders and where not more than 10 per cent of the internal floor space, excluding common parts, was used for non-residential purposes.

BASE RATE

Coutts & Co
have reduced their
Base Rate from
11.5% to 11% per annum
with effect from the
close of business on
Friday 12th July 1991.

All facilities (including regulated consumer credit agreements) with a rate linked to Coutts Base Rate will be varied accordingly.

Coutts & Co
440 Strand, London, WC2R 0QS

BASE RATE

With effect from
close of business on
12 July 1991
Base Rate has been
decreased
from 11.5% to
11% per annum.

The Royal Bank of Scotland

The Royal Bank of Scotland plc.
Registered Office: 36 St. Andrew Square,
Edinburgh EH2 2YB. Registered in Scotland No. 90312

TSB BANK

With effect from the close
of business on
Friday, 12th July 1991
and until further notice,
TSB Base Rate is decreased
from 11.5% p.a. to 11% p.a.

All facilities (including regulated consumer credit agreements) with a rate of interest linked to TSB Base Rate will be varied accordingly.

TSB Bank plc,
60 Lombard Street, London EC3V 9EA

Lloyds Bank Base Rate.

Lloyds Bank Plc has reduced
its Base Rate from 11.5 per cent
to 11 per cent p.a. with effect
from the close of business on
Friday 12 July 1991.

Lloyds Bank

THE THOROUGHbred BANK.

National Westminster Bank

National Westminster Bank
announces that
with effect from
12 July 1991
its Base Rate
is reduced from
11.50% to 11.00% per annum.

All facilities (including regulated consumer credit agreements) with a rate of interest linked to NatWest Base Rate will be varied accordingly.

National Westminster Bank PLC
41 Lombury London EC2P 2BP

ANZ Grindlays Base Rate

ANZ Grindlays Bank plc
announces that its base rate
has changed from 11.5% p.a. to 11% p.a.
with effect from
12th July 1991.

ANZ Grindlays Bank
Private Banking

13 St. James's Square, London SW1Y 4LF
Telephone: 071-930 4611
Member ANZ Group

Hill Samuel Base Rate

With effect from the close of
business on Friday 12th July, 1991
and until further notice,
Hill Samuel Bank's Base Rate
is reduced from
11.5% to 11.0% per annum.

All facilities (including regulated consumer credit agreements) with a rate of interest linked to Hill Samuel Bank's Base Rate will be varied accordingly.

HILL SAMUEL
MERCHANT BANKERS

Hill Samuel Bank Limited
100 Wood Street, London EC2P 2AJ
A Member of The Securities and Futures Authority.

Girobank

Girobank announces that
with effect from
close of business yesterday
(12 July 1991)
its Base Rate was reduced
from 11.5% to
11% per annum.

Girobank plc 10 Milk Street LONDON EC2V 8JH

FINANCIAL TIMES

NUMBER ONE SOUTHWARK BRIDGE, LONDON SE1 9HL
Telephone: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Weekend July 13/July 14 1991

Mr Major's
G7 summit

THE WORLD economy remains in a fragile condition. What better way then to focus the minds of the leaders of the seven largest industrialised countries than to hold their annual summit in the sickest, most recession-bound, economy of all. Mr Major would have wished otherwise for his first summit as prime minister. For London's taxi drivers and restaurant owners, the arrival of the G7 jamboree should provide a welcome, if short-lived, boost. For Mr Major, the chief economic question is whether the rest of the G7 will help to pull the UK out of its recession.

He will find that the US has little sympathy with his plight. The UK, with Germany, led the opposition to the US proposal for a concerted cut in interest rates at the Washington summit of G7 finance ministers in May. Since then, while the US economy has deepened, the UK economy appears to have emerged from a relatively short, shallow recession, though the recovery has been weak so far.

The architect of the US success is Mr Alan Greenspan, once a villain to the US administration, but recently confirmed for another four-year term as chairman of the board of governors of the Federal Reserve. The hero-worship will soon disappear if the recovery is short-lived. This it could prove to be, since many of the underlying sources of US economic weakness remain.

German confidence

At least there is no loss of confidence in Germany. Mr Theo Waigel, the finance minister, expects economic growth to exceed the forecast 2.9 per cent this year.

Yet this is not unalloyed good news for the UK. There is the risk of still higher German interest rates. But they are already at pretty high levels, particularly in real terms, and the annual growth rate of broad money is already in the bottom half of the new target range announced by the Bundesbank this week. This seems to explain why, despite inflationary pressure, the Bundesbank did not raise interest rates at Thursday's council meeting. Its tactic appears to

be to threaten to raise interest rates in order to be congratulated when it keeps them where they were.

The UK, while spurning US calls for interest rate co-operation, has been copying the Greenspan approach to monetary policy in a recession: keep the interest rate cuts small, but keep them coming. Yesterday's cut in UK interest rates was the sixth half percentage point cut since February. Base rates have now fallen by 4 percentage points since October.

Yet it was the news that German rates did not rise, rather than any good news on inflation, which allowed the UK to cut interest rates again yesterday. On inflation, the news was discouraging. The annual rate of retail price inflation did not fall last month, as expected, but remained unchanged at 5.8 per cent. But the government's favoured measure of underlying inflation - the RPI, excluding mortgage interest payments - rose by 0.3 percentage points, to 6.9 per cent.

Underlying trend

Nevertheless, the underlying trend in price inflation is down, with wage inflation following slightly behind. Producer price inflation, which has remained stubbornly resistant to the government's anti-inflationary policy, fell to 5.7 per cent in the year to June. Sadly, output and unemployment have proved more responsive to the government's high interest rate policy. The economy may now have entered its fifth quarter of recession; but there is little sign of recovery, despite the continued optimism of the government's economic advisers.

Bankruptcies and redundancies continue to rise - yesterday's announcement of 500 job losses at the Franks food factory in Grimsby is typical and there are more to come. Consumers have not yet responded to falling nominal interest rates. Retail sales in the six months to May were 0.3 per cent lower than in the previous six.

The lags in monetary policy are long. All the government can do is to keep cutting interest rates as the European exchange rate mechanism allows. Encouragingly, sterling rose yesterday against the D-Mark following the cut. A further two or three half-point cuts in interest rates should be possible by the end of the year. Even then, the British economy is unlikely to deliver a strong recovery in the next 18 months. Mr Major should try to enjoy his first summit. Unless, the UK follows the US out of recession soon, it could be his last.

At the end of a week in which the effects of the closure of the \$200m Bank of Credit and Commerce International have been felt from the Western Isles of Scotland to the Cayman Islands of the Caribbean, many tough questions remain.

Bank of England regulators and their counterparts worldwide are asking whether there needs to be a radical shake-up in the way banks are operated and controlled. The UK's Serious Fraud Office is asking who perpetrated the alleged frauds within the bank. Accountants at Price Waterhouse, BCCI's auditor, are asking whether they should have been aware earlier of the full extent of the problems at the bank. And depositors are anxiously asking whether they will get any of their money back.

As the network of alleged fraud was unravelled during the week, its scale still remained obscure, as did the personalities of the men behind it. The issue of who is to blame is still wide open. No arrests have been made, though congressional hearings in the US are set to start into the fate of hundreds of millions of dollars of funds deposited with BCCI by Third World central banks.

The further the tremors from BCCI run, the sharper the questions posed by its closure. Why did it take the authorities so long to deal with an institution that had well-known criminal connections and whose previous financial condition had already given cause for concern?

According to Mr Pierre Jans, the banking supervisor in Luxembourg where BCCI's European operation is based, the alleged fraud which triggered the shutdown went back "beyond 1988", and had therefore been going on for at least six years. For the past three years, BCCI's sprawling worldwide operations were supervised by a "college" of supervisors from the countries where it had its main businesses. These included the Cayman Islands, the base of a \$70m subsidiary, the Cayman Superfund of Banks, said the first time the college discussed possible fraud in BCCI was on July 3 this year when it was presented with the results of an investigation by Price Waterhouse and immediately took the decision to shut the bank down.

The Cayman Islands are, in fact, used by banks as a bookkeeping centre with book-keeper but no real substance. The \$400m booked in the islands in 1989 is nothing more than a ledger entry. Grand Cayman, the main island, markets itself as a tax haven, and BCCI was able to exploit its strong bank secrecy laws to hide many of its most dubious transactions and bad loans.

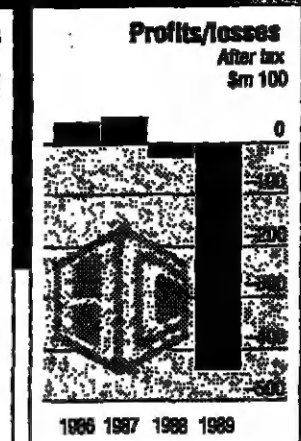
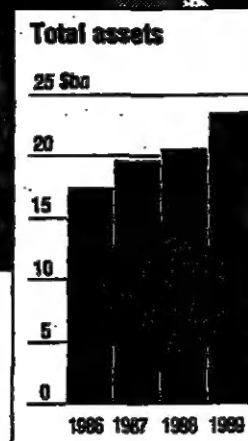
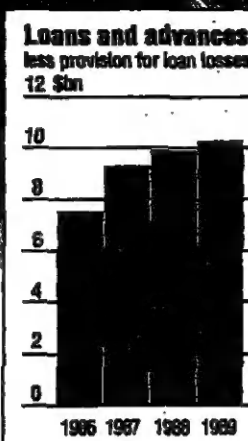
Although Price Waterhouse completed no fewer than 10 special reports on BCCI since it took over as the bank's auditor in 1988, these, according to the Bank of England, dealt mainly with technical matters to do with control systems. "It was seen to be a bad bank but not a crooked bank," said an official.

Yet several former executives of BCCI say the existence of unusual practices was well-known within the bank. One of them explained how some bank officials received auditors for many years. He said the accounts used to be falsified around September before the auditors came in. "The figures were reversed after the year-end on December 31st," he said.

This creative accounting, he said, sometimes completed with the knowledge of the client, allowed the bank to show more profitable commissions on its books during the first quarter of the year. He said: "They might charge a 5 per cent commission on transactions during this time, but after the end of the year they would put things right with the customer who might, in fact, be paying 1 per cent commission."

Bank of England investigators now allege that BCCI was riddled with fraud which "went right through the

Tough questions stemming from the closure of BCCI confront banking regulators, write Richard Donkin and David Lascelles

The scandal that
remains a mystery

place", said one official. Several types of fraud are being investigated.

The most serious was a concerted attempt by some of the bank's senior management to disguise losses which the bank had suffered from bad loans and speculation in the money markets. Deposits were allegedly taken in which were not entered on its books. Instead, the money was used directly to plug the bank's losses. But because this meant the deposit became a loss too, further deposits had to be obtained to pay off the original depositor. This created a never-ending spiral of lost deposits.

Bad loans were also said to have been paid off when in reality they were transferred to a different part of the bank. BCCI would allegedly use its 69-country network to shuffle assets into subsidiaries which were only lightly supervised, and transfer capital into countries that were closely supervised.

In another type of fraud, the investigators found evidence that some bank officers may have siphoned money out of the bank and into their own pockets. Other kinds of fraud have also been uncovered, according to an official.

The extent of the fraud, and even the shutdown, might have been averted if the supervisors had acted sooner. Several former executives of BCCI have asserted that reports detailing evidence of fraud were passed to the authorities last year, but not acted upon. However, Bank of England officials are adamant that they did not receive convincing indications of fraud until the beginning of

this year when BCCI's new management alerted them to its existence.

Even so, a further question is why officials did not clamp down on BCCI after it was convicted in the US courts last year of laundering drug money - a case which occurred just after the Basle Committee, the top international banking watchdog, had issued new rules to combat money laundering.

Officials reply that the bank was being restructured, and the ruler of Abu Dhabi and his government were preparing to inject \$1bn of new money to help improve the balance sheet.

Bank of England investigators now allege that BCCI was riddled with fraud which "went right through the place", said one official.

Observers have suggested that the "college" was only able to move at the pace of its slowest member, and some of the countries where BCCI is located vetoed a crackdown because they wanted to avoid a scandal.

What is still far from clear is what the total bill stemming from the closure will be. The liquidators trying to wind the group up decline to put a figure on it until the picture becomes clearer. Mr Robin Leigh-Pemberton, the Bank of England governor, indicated that the losses for the European arm could be "several hundred mil-

lion dollars".

When the Luxembourg subsidiary, which includes branches in the UK, was ordered to be wound up on Tuesday, it had resources of \$988m and losses of \$827m, implying a deficit of \$161m. This subsidiary accounts for just over a third of the total BCCI group. One outstanding matter is whether the unrecorded deposits will be treated as part of BCCI's legal liabilities. If they are not it would be bad news for the depositors, but would mean that more was left in the company.

On a wider level, officials are looking carefully at the possible impact of BCCI's closure on general banking confidence. An expected "flight into quality" as a result of the BCCI affair is already apparent in the investment plans of many British local authorities caught up in the collapse. More than 50 UK local authorities could lose as much as \$100m of public money, according to the Association of District Councils. A number of councils said that in future they would use any short-term surplus in funds to make short-term deposits only with the main UK clearing banks and the top building societies.

While European banks, in particular, are examining the financial repercussions of the action to close BCCI, the US is concentrating on the political considerations that are also involved. BCCI, under its founder, Mr Agha Hasan Abedi, had always been a bank that played politics. For many years he courted Third World leaders, using certain charita-

ble bodies and some media outlets. One of his techniques was to send BCCI bankers to solicit business after favourable newspaper or magazine features that had been arranged through his contacts had appeared. His efforts in the Third World brought many important accounts to the bank.

The son of a chief from one of Lucknow's most influential families, Mr Abedi graduated in law and English literature from Lucknow University before joining the Habib Bank in Bombay. The bank moved to the new state of Pakistan in 1947 where Mr Abedi, who took Pakistani nationality, was influenced by the desire of Mohammed Ali Jinnah, the founder of modern Pakistan, to develop a base for Muslim capital.

Mr Abedi befriended some of the 22 families who ruled over Pakistan's economy, including the Saigol family who drew on his expertise to establish United Bank. He also became friendly with some of the wealthiest Arabs in the Middle East, and it was they whom he approached when Mr Zulfikar Ali Bhutto came to power in 1971 and threatened to nationalise the banks.

BCCI, he decided, would be the bank that bridged the poverty gap between the rich northern hemisphere and the poor south. He had been promised Arab investment cash by sheikhs won over by his strong religious and mystical convictions and his promise to maintain Muslim values in the banks.

To win western confidence, however, Mr Abedi needed the support of a well-known banking institution. This he obtained in 1972 when Bank of America agreed to take a large stake in BCCI at a meeting in San Francisco. He later referred to the meeting as "an historic lunch". Bank of America's early connections with BCCI were much more critical than that of stakeholder. It lent some prestigious names to the board who were to continue until last year's losses were announced. It also gave advice on the bank's corporate structure.

In late 1973 when Opec reduced oil output, leading to escalating oil prices, BCCI was in a position to expand on a breathtaking scale. Its Green Park branch in London was opened for the almost entire benefit and deposits of a single Gulf client. The success of the bank from Uganda at about the same time provided the London headquarters of BCCI with a fertile recruiting ground. A letter from Mr Abedi to staff in 1985, urging them to give to charity, said: "I pray to our most merciful and beneficent God to give you the true meaning of giving; so you make BCCI a loving village and each one of its parts a caring neighbourhood; so you make BCCI a ship of unmatched beauty and unending love, success and giving that would sail towards the farthest shores of humanity."

Mr Abedi preached a family ethos to his staff. "His whole philosophy was based on human and mystical qualities. He never spoke figures," said a former employee.

But if investigators follow the trail of unreliable figures left in the wake of last week's swoop, they may eventually uncover the exact size and nature of operations at BCCI. Until last week there was a general public perception that banks regulated by the Bank of England could not fail, even though this view had been denied somewhat in recent years by the collapse of Johnson Matthey Bankers in 1984 and the placing of British & Commonwealth Merchant Bank in the hands of the receivers last year.

Neither of those banks underpinned Britain's banking system. The same could be argued about BCCI. But while it appears to have had little exposure to other banks, the knock-on effects of its collapse are still being felt in several Third World central banks and by a number of UK local authorities and depositors worldwide. The BCCI affair is far from over.

MAN IN THE NEWS

Sheikh Zayed bin Sultan
al-NahyanDesert
fighter
drawing on
reserves of
tolerance

By Victor Mallet



holiday in Switzerland on a private jumbo jet the day after BCCI was shut down, leaving his financial advisers to sort out the mess for which he may have felt they were responsible (if they had dared to tell him of the scandal at all). The ruler may also have thought he needed a holiday, having retaken the reins of government from his son Sheikh Khalifa, the Crown Prince, during the difficult days after the Iraqi invasion of Kuwait.

Still vigorous at the age of 75, Sheikh Zayed continues to enjoy his holidays, whether in Europe, Morocco or Pakistan - where he has more than once been escorted by senior BCCI officials on falconry expeditions in the Baluchistan desert. Few, however, would belittle his achievements in Abu Dhabi and the UAE. With the connivance of the British government, he gently shoved aside his elder brother Sheikh Shakhbut (who refused to spend any oil revenues) on August 6

1966, and immediately began to order the building of schools, roads and sewers. As the first and so far only UAE president since the country was created in 1971, Sheikh Zayed has held the loose federation together by leaving Dubai to its own free-wheeling commercial devices and by using Abu Dhabi's oil money to support the poorer emirates. In a typical gesture on a recent visit to Fujairah, he called for the building of 400 houses at his expense, and his son Sheikh Khalifa ordered a further 150. Such patronage might not cut much ice elsewhere, but in the Gulf it is still the accepted system of government.

Mr Abedi portrayed BCCI as a Third World bank, and although the UAE is part of the pro-western Gulf Co-operation Council which groups the conservative Gulf states, Sheikh Zayed has always had a soft spot for the Third World, Arab nationalism, the Palestinian cause and something he

used to call "Islamic socialism". Angered by the Egyptian-Israeli peace treaty in 1979, he said unapologetically: "The people of the Gulf are not in need of anyone to defend them, or of help from any quarter, because there is no problem except undue US influence in this area." Sheikh Zayed has not been saying such things recently. Before taking over as ruler Sheikh Zayed spent most of his youth in the al-Ain oasis, in the desert west of Abu Dhabi town, and he was appointed as governor of the area by Sheikh Shakhbut in 1946. He was tutored but received no formal education. The author and traveller Wilfred Thesiger, who romanticised the Bedouin and went on a falconry trip with Sheikh Zayed, described him as "a powerfully built man of about 30 years with a broad beard. He had a strong intelligent face with steady, observant eyes and his manner was quiet but masterful."

"He wore a dagger and a cartridge belt, his rifle lay on the sand beside him... He had a great reputation among the Bedu. They liked him for his easy informal ways and his friendliness and they respected his force of character, his shrewdness and his physical strength. They said admiringly, 'Zayed is a Bedu. He knows about camels, can ride like one of us, can shoot, and knows how to fight.'"

When Thesiger returned to Abu Dhabi in the 1970s he was appalled by its brash modernity. It was, he said, "an Arabian nightmare, the final disillusionment". Sheikh Zayed, however, far from forgetting his desert origins, has led the way in reviving and preserving the traditions of the Gulf, from camel-racing to falconry and pearl-fishing. Thesiger has been mollified and recently returned to the UAE to meet old friends and mount an exhibition of his photographs.

Perhaps the most extraordinary of Sheikh Zayed's achievements is the greening of Abu Dhabi. Like many desert Arabs, he is obsessed with the greenery he hardly saw as a child and determined to upstage Israel's attempts to make its desert fertile. In the capital alone 4,000 gardeners are employed to manage the irrigated trees, lawns and flowers which are as attractive to local picnickers as they are to birds from Oman and India. One can question the expense - given that Abu Dhabi depends on limited underground water resources and desalinated seawater - but one can hardly fail to be impressed.

Sheikh Zayed has shaped a country which is regarded by western and eastern migrant workers as the most tolerant and pleasant in the Gulf, and he will not lightly turn against his former allies if his pride is injured by the BCCI affair. The main qualities of Sheikh Zayed, said the late Sheikh Rashid al-Maktoum of Dubai, "are that he is optimistic, has a great tolerance and possesses an art of planning. He will probably need all three in the weeks ahead."

Registered Office in Turin - Head Office in Rome
Share capital Lit. 4,000,000,000 fully paidPAYMENT OF DIVIDEND ON STET SHARES
FOR THE FINANCIAL YEAR 1990

As resolved by the Shareholders' General Meeting held on the 21st of June 1991 the dividend for the financial year 1990 will be paid from the 17th of July 1991 in the gross unit amount of Lit. 120 for savings shares and of Lit. 100 for ordinary shares (against detachment of coupon n. 2).

The dividend will be payable:

in Italy:

- with the Company's Treasury Department at 28 Via Bertola, Turin, or 41 Corso d'Italia, Rome;
- with any other duly-authorized banks, as well as through Monte Titoli S.p.A., for the shares managed by it;

abroad:

- London: Banca Commerciale Italiana - 42, Gresham Street
Credito Italiano - 17, Moorgate
Banca di Roma - 87, Gresham Street
- New York: Banca Commerciale Italiana - One William Street
Credito Italiano - 375, Park Avenue
- Paris: Banca Nazionale del Lavoro - 26, Avenue des Champs Elysées
- Frankfurt am Main: Istituto Bancario San Paolo di Torino - Schillerstrasse, 26

INTERNATIONAL COMPANIES AND FINANCE

Foreign banks warn Rome over farm group's failure

By Haig Simonian in Milan

FOREIGN bank creditors to Federconsorzi, the bankrupt Italian farm services group, have threatened wide-ranging legal action against the Italian government in their strongest statement yet on the company's collapse.

Following a meeting in London on Thursday, the foreign banks warned of legal action against the directors, auditors and supervisory authorities involved with Federconsorzi.

Last week, Mr Giovanni Goria, Italy's farm minister, announced that Federconsorzi would seek a judicial composition among creditors, a procedure which, if approved, would allow creditors to receive a minimum 40 per cent of their loans to the group.

The foreign banks' threat would take effect should the composition procedure reveal any negligence or impropriety.

Among the possible triggers to legal action cited by foreign

bankers are misrepresentation of the group's position in its books, undue favours to shareholders in its business activities, the undue diversion of resources or "other illegal behaviours".

Legal action would not necessarily take place in Italy, but in whatever jurisdictions the foreign lenders feel appropriate, they say.

The threat is potentially explosive for a number of reasons, most notably the widespread belief that Federconsorzi's activities and finances may have been exploited for political ends over the years.

The banks' statement follows the publication this week of details of Federconsorzi's financial position, showing its assets cover only 82 per cent of liabilities.

According to the foreign banks, which have demanded full repayment of their loans, Federconsorzi is a *de facto* pub-

lic entity, meaning that it is up to the Italian government to find "an appropriate solution" for full repayment. The banks say the government is shirking its responsibilities through "formalistic excuses of a pure legal nature".

The government's response is "politically driven" and a "breach of unwritten rules" which the international financial community is not prepared to ignore, they say.

In their statement, the foreign banks make their most public threat to date that they will boycott Italian borrowers in the international financial markets. "Any attempt to exploit [international financial markets] through cleverness would just be a step towards self-exclusion," they say in a thinly-veiled attack on the Italian government.

They also accuse the authorities of refusing to negotiate and ignoring earlier suggestions.

Board meets over Time Warner rights issue

By Sara Webb

THE BOARD of Time Warner, the US entertainment and media group, met yesterday to discuss approval of a \$1.75bn fully-underwritten rights issue. An earlier proposal to raise up to \$3.5bn had come under attack from shareholders and the Securities and Exchange Commission.

Under the new proposal, Time Warner would issue 34.45m shares. Shareholders would receive three shares at \$50 per share for every five shares held.

Salomon Brothers will underwrite about \$1bn. It has put together a group of underwriters thought to include Goldman Sachs, Merrill Lynch, Credit Suisse First Boston, Nomura, and S. G. Warburg, who will together underwrite about \$600m.

The new conditions are expected to overcome some of the main problems with the earlier proposed rights issue. This was not underwritten, leading to criticisms over why the investment banks involved were charging between \$11m and \$145m in fees when they were not taking on any risk themselves. Fees on the new rights issue will be 2 per cent, plus a "success fee".

Secondly, the rights will be taken up at a guaranteed price. This contrasts with the earlier situation where it was proposed that the value of the rights would change in proportion to the number of shareholders taking up the offer. The shares would have been priced at between \$68 and \$106 depending on how many rights were exercised.

If the rights issue wins board approval it will be used to pay off part of Time Warner's \$1.1bn debt, the result of the companies' merger two years ago. Time Warner's earlier abortive attempt to raise up to \$3.5bn through a rights issue sparked a state of shareholder lawsuits.

Daishin Securities in London move

DAISHIN Securities has become the first Korean securities firm to have a subsidiary in London following the upgrading of its representative office, writes Tracy Corrigan.

Other Korean securities firms are expected to follow suit, as they build up a presence in Europe ahead of the opening of the Korean stock market to foreign investors at the start of 1992.

The new subsidiary, Daishin International (Europe), is capitalised at \$7m and will specialise in Korean equities.

Alcatel buys Rockwell unit

By William Dawkins in Paris

ALCATEL, Europe's largest telecommunications equipment supplier, is to pay \$620m for the transmissions unit of Rockwell International, the US electronics, aerospace and automotive group.

The deal, expected to be completed by the end of September, will boost the Dutch registered company's share of the \$5.5bn US transmission equipment market from the current 4 per cent to 15 per cent.

It gives Alcatel a distribution network in a market that is growing at an estimated 10 per cent annually, twice as fast as European demand for transmission gear, and is notoriously hard for non-US suppliers to penetrate.

Alcatel, headed by chairman

Mr Pierre Suard, now becomes the second player in the US transmission market, although still a long way behind American Telephone & Telegraph, which has a 55 per cent share. This is the biggest expansion of Alcatel's transmission business, one of the fastest growing areas of the telecommunications equipment market generally, since last year's complex exchange of assets with Fiat, the car group, in which Alcatel took control of the Italian company's Telettra telecommunications subsidiary. This significantly strengthened Alcatel's presence in southern Europe.

Alcatel started negotiating with Rockwell as soon as the US company announced that it was putting the division up for sale last April. It is understood

that Alcatel's main European competitors, Ericsson of Sweden and Siemens of Germany, were also interested.

"Up until now, Alcatel had been criticised for being weak in the US. Now it is doing something about this," said Mrs Angela Dean, European technology analyst for Morgan Stanley.

Last year, Alcatel had \$136m turnover in US telecommunications, giving it 4 per cent of the transmission equipment market, a position it inherited in 1987 by merging with the European telecommunications equipment units of ITT, which holds 30 per cent of Alcatel.

The remaining 70 per cent is owned by Alcatel Alsthom, the French telecommunications, transport and energy company.



Pierre Suard: boosts US market share to 15 per cent

Rockwell's transmission systems unit reported \$490m of sales in the year to last September, giving it an 11 per cent market share. Three quarters of its turnover is in cable transmission equipment.

Westinghouse Electric falls 50%

By Patrick Harverson in New York

WESTINGHOUSE Electric, the diversified US technology group, yesterday announced a 50 per cent decline in second quarter earnings alongside a warning that profits for the remainder of the year could be down by as much as 25 per cent in 1991.

The company, which earlier this year began a restructuring of operations aimed primarily at its financial services subsidiary, earned net income of \$127m between April and June this year, compared with \$252m in the same quarter a year ago.

Few of Westinghouse's diverse divisions escaped the downturn. Profits on its broadcast unit were hit by the effect of war abroad and recession at home on television advertising revenues. There was a similar story of lower earnings at the environmental systems, financial services and industrial divisions.

The electronic systems unit also suffered during the quarter, and analysts have warned that there could be worse to come on the electronics side because of big cuts in US defence spending. The only

bright spots were a rise in revenues at the Knoll Group and the power systems division.

The outlook for Westinghouse remains bleak. Mr Paul Legu, chairman of the group, said yesterday: "Our expectations of an early and strong economic recovery have not materialised. That, coupled with the fact that many of our businesses customarily lag the economy, will adversely impact our second half."

By midday yesterday Westinghouse shares had fallen \$1 to \$55.50 on the New York Stock Exchange.

Spain fends off Ferruzzi group bid

By Tom Burns in Madrid

SPAIN'S agriculture ministry has beaten off a bid by Italy's Ferruzzi group to acquire the second largest domestic edible oils producer.

Kolpe, a company controlled by Eridania, Ferruzzi's agro-industrial arm, has agreed to abandon plans to make a public share offering for Elosua, which is 27 per cent owned by the Spanish state, in a shareholders' pact with two private groups that own a further 34 per cent of Elosua's equity.

Last month Kolpe paid \$68.8m for 24.9 per cent of Elosua from Paribas and had an option to acquire a further 5 per cent from the French bank. Such a move would have triggered a full bid.

The agriculture ministry stepped in on the grounds that the edible oils sector was a strategic one and that control of Elosua should remain in Spanish hands.

The absorption of Elosua by Kolpe would have gained the Ferruzzi group control over 54 per cent of Spain's heavy olive oil market, a 31 per cent quota of the lighter olive oil market and 40 per cent of the sunflower seed market.

Kolpe's 5 per cent share option in Elosua will be acquired by Banco Bienes Vitales, the big Spanish retail bank, and Kolpe will be represented on Elosua's management board.

CORRECTION

Kyosan Electric

It was wrongly reported yesterday that Kyosan Electric had been delisted from the first section of the Tokyo Stock Exchange. The company delisted was Kyosan Cable.

Viag buys Thurn und Taxis units

By Andrew Fisher in Frankfurt

THURN und Taxis, the wealthy Bavarian family business empire, yesterday said it planned to sell majority stakes in two of its industrial companies to Viag, a Bonn-based conglomerate.

At the same time, Metallgesellschaft, the Frankfurt metals and engineering concern, announced it had bought the remaining 49 per cent of Lentjes, the energy and environmental engineering company in which it already had a controlling interest.

Both Viag and Metallgesellschaft have been active on the acquisition trail this year, but the latest transactions are fairly small by their recent takeover standards.

Thurn und Taxis said it intended to sell majority hold-

ings in two metal-working operations, Unidur and Duden-Edelmetall, with a combined turnover of DM540m (\$325m).

The sale will be the first large disposal from the far-flung Thurn und Taxis business, financial and real estate assets since the death of Prince Johannes von Thurn und Taxis last December.

Duden, which supplies precision metal materials to the electrical and electronics industries, is the larger of the two; it has operations in North and South America, where it has had problems, as well as in Germany, France and Spain.

Unidur, a metal-stamping company, is based in central Germany. Both will link up with SKW Trostberg, Viag's chemi-

cal and metallurgical subsidiary.

In May, Viag bought the European operations of Continental Can of the US; it gave no price, but analysts said the deal was worth at least DM1.5m. Viag made no comment yesterday on why it was buying the Thurn und Taxis companies or how much it was paying.

For Metallgesellschaft, the purchase of the remaining shares in Lentjes, which had an order inflow in the financial year to last September of DM1.4m, comes shortly after the agreement of its biggest ever deal, the purchase for DM1.45m of the non-pulp and paper activities of Faldmühle Nobel, owned by Sweden's Stora.

Japanese increase Rockefeller stake

By Robert Thomson in Tokyo

MITSUBISHI Estate, the Japanese real estate company, has spent \$10m to increase its stake in the Rockefeller Group (RGL) from 57.6 per cent to 80 per cent and to complete a deal that gives it control over prime New York properties.

The original contract, agreed in late October 1989, stirred controversy in the US over Japanese investments, and, in particular, over acquisitions of properties considered to be important US symbols.

At the time, Mitsubishi Estate defended the purchase by saying that it would like to "mirror the vision" of

the philanthropic Rockefeller family.

Mitsubishi Estate said yesterday that the latest purchase "strengthens our bond with RGL, demonstrates our confidence in the management of RGL, and reaffirms our long-term commitment to building solid businesses in the world's three major financial centres" - New York, London and Tokyo.

Under the original agreement with the Rockefeller family trusts, the additional 22.4 per cent will be the final transfer to Mitsubishi Estate. Rockefeller Group includes

Rockefeller Center Management Corporation, and Radio City Music Hall Productions, and the properties controlled include 12 buildings in the Rockefeller Center and two buildings near the complex.

The size of Mitsubishi Estate's long-term share of the Center is complicated by a public offering in 1985, which, if all the conversion options are exercised, provides for public ownership of the complex in the year 2000, with the Rockefeller Group retaining at least 28.5 per cent.

WORLD COMMODITIES PRICES

WEEKLY PRICE CHANGES	Latest price	Change on week ago	Year ago	High 1991	Low 1991
Gold per troy oz.	\$388.15	-2.10	\$384.50	\$392.25	\$383.55
Silver per troy oz.	208.10p	-74.45	279.75p	280.55	183.35p
Aluminium 35.7% (cash)	\$1,307.5	-50.5	\$1,350	\$1,570	\$1,227
Copper Grade A (cash)	\$1,537	-86.25	\$1,581	\$1,475	\$1,241.0
Lead (cash)	\$1,332.5	-13	\$1,342.5	\$1,382.5	\$1,292.5
Nickel (cash)	\$97.12.5	-29.5	\$99.12.5	\$102.75	\$92.5
Zinc SHS (cash)	\$1,021	-1	\$1,021.5	\$1,140	\$1,008
Tin (cash)	\$2,982.5	-2.5	\$2,982.5	\$2,915	\$2,470
Cocoa Futures (Sep)	\$910	+1	\$780	\$714	\$598
Coffee Futures (Sep)	\$128.5	+0.25	\$128.5	\$128.5	\$128.5
Sugar (LDP Raw)	\$295	+21	\$305.5	\$324	\$194
Barley Futures (Nov)	\$113.50	-0.25	\$113.75	\$121.80	\$107.75
Wheat Futures (Nov)	\$115.25	-0.25	\$115.00	\$141.10	\$111.00
Cotton Outlook A Index	\$0.90.50	+0.05	\$0.90.50	\$0.90.50	\$0.90.50
Oil (Brent Super)	\$19.75	-1.10	\$19.85	\$20.50	\$18.50
Oil (Brent Super)	\$19.75	+0.85	\$17.80	\$22.15	\$14.75

LONDON MARKETS

SPOT MARKETS

Crude oil (per barrel FOB)

Dubai 58.40-59.00 +0.30

Brent Blend (dated) 59.10-59.50 +0.45

WTI (1st cut) 62.00-62.50 +0.25

Oil products

HPM (prompt delivery per tonne CIF)

Premium Gasoline 52.5-54.5 +3

Gas Oil 51.5-52.5 +2

Heavy Fuel Oil 50.5-51.5 +2

Naphtha 51.5-52.5 +2.5

Autoterm Argus Estimates

Other

Gold (per troy oz) 388.15 +0.25

Silver (per troy oz) 208.10 +0.20

Platinum (per troy oz) 374.35 +0.35

Palladium (per troy oz) 549.50 +0.10

Aluminium (per tonne) 1,307.5

Copper (US Producer) 1,537

Lead (US Producer) 1,332.5

Nickel (US Producer) 97.125

Tin (Kuala Lumpur market) 2,982.5

Tin (New York) 2,982.5

Zinc (US Prime Western) 1,021

Cattle (live weight)

Sheep (live weight)

Pigs (live weight)

London daily sugar (raw) 325.5

London daily sugar (white) 322.5

Barley (English seed) 113.5

Maize (US No 3 yellow) 108.75

Wheat (US Dark Northern) 110

Rubber (Sap) 52.50

Rubber (Sap) 54.00

Rubber (RSS No 1) 52.50

Coconut oil (Philippines) 54.50

Palm oil (Malaysia) 53.50

Cocoa (Philippines) 52.50

Soyabean (US) 115.5

Cotton "A" Index 80.90

Woolfleece (Rex Super) 307

COCOA - London POKE

Close Previous High/Low

Jul 890 890 890 890

Sep 810 810 810 810

Oct 880 880 880 880

Nov 880 880 880 880

Dec 710 710 710 710

Jan 720 720 720 720

Feb 720 720 720 720

Mar 720 720 720 720

Turnover: 6700 (4800) lots of 10 tonnes

ICCO indicator prices (US cents per pound) for Jul 11: Comp. daily 94.50 (\$4.75). 15 day average 95.30 (\$4.88)

COFFEE - London POKE

Close Previous High/Low

Jul 544 544 544 544

Sep 554 554 554 554

Oct 584 584 584 584

Nov 584 584 584 584

Dec 584 584 584 584

Jan 584 584 584 584

Feb 584 584 584 584

Mar 584 584 584 584

Turnover: 2200 (2000) lots of 5 tonnes

ICCO indicator prices (US cents per pound) for Jul 11: Comp. daily 94.50 (\$4.75). 15 day average 95.30 (\$4.88)

POTATOES - London POKE

Close Previous High/Low

Mar 118.0 118.0 118.0 118.0

Apr 108.0 111.0 108.0 107.1

Turnover: 167 (89) lots of 40 tonnes.

SOYABEANS - London POKE

Close Previous High/Low

Dec 120.0 121.0 120.0 120.0

Turnover: 18 (10) lots of 30 tonnes.

PHEMINT - London POKE

Close Previous High/Low

Jul 1490 1490 1490 1490

Aug 1470 1470 1470 1470

Sep 1490 1490 1490 1490

Oct 1490 1490 1490 1490

Nov 1490 1490 1490 1490

Dec 1490 1490 1490 1490

LONDON METAL EXCHANGE

Close Previous High/Low

Aluminium 35.7% (per tonne)

Cash 1307.5 1312.5 1308 1307.5

3 months 1338.0 1343.0 1338 1338.0

Copper, Grade A (per tonne)

Cash 1537.5 1542.5 1537.5 1537.5

3 months 1568.0 1573.0 1568 1568.0

Lead (per tonne)

Cash 1332.5 1337.5 1332.5 1332.5

3 months 1363.0 1368.0 1363 1363.0

Nickel (per tonne)

Cash 97.125 97.625 97.125 97.125

3 months 100.125 100.625 100.125 100.125

3 months 100.125 100.625 100.125 100.125

3 months 100.125 100.625 100.125 100.125

3 months 100.12

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar hit by intervention

CO-ORDINATED INTERVENTION by central banks pushed the dollar down sharply yesterday. The US Federal Reserve and German Bundesbank led an attack on the dollar, and were joined by others, including the Bank of England, Swiss National Bank and the Bank of France. The move was made ahead of Monday's meeting in London of leaders from the world's leading Group of Seven industrial nations.

After a strong start at DM1.8550 the US currency was hit by a round of selling from European central banks, led by the Bundesbank. Later in the day further intervention involved the Federal Reserve and was taken as a strong indication of the central banks' conviction about the strength of the dollar.

It was suspected that the Fed only decided to join in the intervention after the Bundesbank had agreed not to raise official interest rates at Thursday's meeting.

John Maples, junior Treasury minister, said that room for further cuts in interest rates is now limited. He added that British rates are moving rapidly into line with others in the European Community. The Bank of England's operations on the London money market also indicated there should be a pause before any further rate cuts.

Yesterday's reduction came before rather disappointing figures, showing higher underlying inflation on a year-on-year basis, and an unchanged headline rate of 5.5 per cent.

Sterling rose against the weak dollar, and was strong within the European exchange rate mechanism, rising to the middle of the system, above the DM. The pound was unchanged at DM2.9500, while improving to FF10.0175 from FF9.9500. The dollar was unchanged at Y225.50. Sterling's index rose 0.5 to 80.4.

The UK Treasury still expects inflation of 4 per cent by the end of the year, but Mr

FINANCIAL FUTURES AND OPTIONS

LIFE LONG GILT FUTURES OPTIONS			
Strike	Call	Put	Settlement
90	0.05	0.05	0.05
91	0.10	0.10	0.10
92	0.15	0.15	0.15
93	0.20	0.20	0.20
94	0.25	0.25	0.25
95	0.30	0.30	0.30
96	0.35	0.35	0.35
97	0.40	0.40	0.40
98	0.45	0.45	0.45
99	0.50	0.50	0.50
100	0.55	0.55	0.55

LIFE LONG GILT FUTURES OPTIONS			
Strike	Call	Put	Settlement
101	0.60	0.60	0.60
102	0.65	0.65	0.65
103	0.70	0.70	0.70
104	0.75	0.75	0.75
105	0.80	0.80	0.80
106	0.85	0.85	0.85
107	0.90	0.90	0.90
108	0.95	0.95	0.95
109	1.00	1.00	1.00
110	1.05	1.05	1.05

LIFE LONG GILT FUTURES OPTIONS			
Strike	Call	Put	Settlement
111	1.10	1.10	1.10
112	1.15	1.15	1.15
113	1.20	1.20	1.20
114	1.25	1.25	1.25
115	1.30	1.30	1.30
116	1.35	1.35	1.35
117	1.40	1.40	1.40
118	1.45	1.45	1.45
119	1.50	1.50	1.50
120	1.55	1.55	1.55

LIFE LONG GILT FUTURES OPTIONS			
Strike	Call	Put	Settlement
121	1.60	1.60	1.60
122	1.65	1.65	1.65
123	1.70	1.70	1.70
124	1.75	1.75	1.75
125	1.80	1.80	1.80
126	1.85	1.85	1.85
127	1.90	1.90	1.90
128	1.95	1.95	1.95
129	2.00	2.00	2.00
130	2.05	2.05	2.05

LIFE LONG GILT FUTURES OPTIONS			
Strike	Call	Put	Settlement
131	2.10	2.10	2.10
132	2.15	2.15	2.15
133	2.20	2.20	2.20
134	2.25	2.25	2.25
135	2.30	2.30	2.30
136	2.35	2.35	2.35
137	2.40	2.40	2.40
138	2.45	2.45	2.45
139	2.50	2.50	2.50
140	2.55	2.55	2.55

LIFE LONG GILT FUTURES OPTIONS			
Strike	Call	Put	Settlement
141	2.60	2.60	2.60
142	2.65	2.65	2.65
143	2.70	2.70	2.70
144	2.75	2.75	2.75
145	2.80	2.80	2.80
146	2.85	2.85	2.85
147	2.90	2.90	2.90
148	2.95	2.95	2.95
149	3.00	3.00	3.00
150	3.05	3.05	3.05

LIFE LONG GILT FUTURES OPTIONS			
Strike	Call	Put	Settlement
151	3.10	3.10	3.10
152	3.15	3.15	3.15
153	3.20	3.20	3.20
154	3.25	3.25	3.25
155	3.30	3.30	3.30
156	3.35	3.35	3.35
157	3.40	3.40	3.40
158	3.45	3.45	3.45
159	3.50	3.50	3.50
160	3.55	3.55	3.55

LIFE LONG GILT FUTURES OPTIONS			
Strike	Call	Put	Settlement
161	3.60	3.60	3.60
162	3.65	3.65	3.65
163	3.70	3.70	3.70
164	3.75	3.75	3.75
165	3.80	3.80	3.80
166	3.85	3.85	3.85
167	3.90	3.90	3.90
168	3.95	3.95	3.95
169	4.00	4.00	4.00
170	4.05	4.05	4.05

LIFE LONG GILT FUTURES OPTIONS			
Strike	Call	Put	Settlement
171	4.10	4.10	4.10
172	4.15	4.15	4.15
173	4.20	4.20	4.20
174	4.25	4.25	4.25
175	4.30	4.30	4.30
176	4.35	4.35	4.35
177	4.40	4.40	4.40
178	4.45	4.45	4.45
179	4.50	4.50	4.50
180	4.55	4.55	4.55

LIFE LONG GILT FUTURES OPTIONS			
Strike	Call	Put	Settlement
181	4.60	4.60	4.60
182	4.65	4.65	4.65
183	4.70	4.70	4.70
184	4.75	4.75	4.75
185	4.80	4.80	4.80
186	4.85	4.85	4.85
187	4.90	4.90	4.90
188	4.95	4.95	4.95
189	5.00	5.00	5.00
190	5.05	5.05	5.05

LIFE LONG GILT FUTURES OPTIONS			
Strike	Call	Put	Settlement
191	5.10	5.10	5.10
192	5.15	5.15	5.15
193	5.20	5.20	5.20
194	5.25	5.25	5.25
195	5.30	5.30	5.30
196	5.35	5.35	5.35
197	5.40	5.40	5.40
198	5.45	5.45	5.45
199	5.50	5.50	5.50
200	5.55	5.55	5.55

LIFE LONG GILT FUTURES OPTIONS			
Strike	Call	Put	Settlement
201	5.60	5.60	5.60
202	5.65	5.65	5.65
203	5.70	5.70	5.70
204	5.75	5.75	5.75
205	5.80	5.80	5.80
206	5.85	5.85	5.85
207	5.90	5.90	5.90
208	5.95	5.95	5.95
209	6.00	6.00	6.00
210	6.05	6.05	6.05

LIFE LONG GILT FUTURES OPTIONS			
Strike	Call	Put	Settlement
211	6.10	6.10	6.10
212	6.15	6.15	6.15
213	6.20	6.20	6.20
214	6.25	6.25	6.25
215	6.30	6.30	6.30
216	6.35	6.35	6.35
217	6.40	6.40	6.40
218	6.45	6.45	6.45
219	6.50	6.50	6.50
220	6.55	6.55	6.55

LIFE LONG GILT FUTURES OPTIONS			
Strike	Call	Put	Settlement
221	6.60	6.60	6.60
222	6.65	6.65	6.65
223	6.70	6.70	6.70
224	6.75	6.75	6.75
225	6.80	6.80	6.80
226	6.85	6.85	6.85
227	6.90	6.90	6.90
228	6.95	6.95	6.95
229	7.00	7.00	7.00
230	7.05	7.05	7.05

MONEY MARKET FUNDS

Money Market Trust Funds

Trust Fund	Assets	Net Assets	Units	Price
CAF Money Management Co Ltd	£1,000,000,000	£1,000,000,000	100,000,000	10.00
The Charities Deposit Account	£1,000,000,000	£1,000,000,000	100,000,000	10.00
Co-operative Bank	£1,000,000,000	£1,000,000,000	100,000,000	10.00
First National Bank	£1,000,000,000	£1,000,000,000	100,000,000	10.00
HSBC Bank	£1,000,000,000	£1,000,000,000	100,000,000	10.00
London City Bank	£1,000,000,000	£1,000,000,000	100,000,000	10.00
Paribas Bank	£1,000,000,000	£1,000,000,000	100,000,000	10.00
Standard Bank	£1,000,000,000	£1,000,000,000	100,000,000	10.00
Union Bank	£1,000,000,000	£1,000,000,000	100,000,000	10.00
Westminster Bank	£1,000,000,000	£1,000,000,000	100,000,000	10.00

Money Market Bank Accounts

Bank Account	Assets	Net Assets	Units	Price
Aldermore Bank	£1,000,000,000	£1,000,000,000	100,000,000	10.00
Bank of Scotland	£1,000,000,000	£1,000,000,000	100,000,000	10.00
Barclays Bank	£1,000,000,000	£1,000,000,000	100,000,000	10.00
Bank of Ireland	£1,000,000,000	£1,000,000,000	100,000,000	10.00
Bank of London	£1,000,000,000	£1,000,000,000	100,000,000	10.00
Bank of Montreal	£1,000,000,000	£1,000,000,000	100,000,000	10.00
Bank of New York	£1,000,000,000	£1,000,000,000	100,000,000	10.00
Bank of Paris	£1,000,000,000	£1,000,000,000	100,000,000	10.00
Bank of Spain	£1,000,000,000	£1,000,000,000	100,000,000	10.00
Bank of Tokyo	£1,000,000,000	£1,000,000,000	100,000,000	10.00

LIFE LONG GILT FUTURES OPTIONS			
Strike	Call	Put	Settlement
231	7.10	7.10	7.10
232	7.15	7.15	7.15
233	7.20	7.20	7.20
234	7.25	7.25	7.25
235	7.30	7.30	7.30
236	7.35	7.35	7.35
237	7.40	7.40	7.40
238	7.45	7.45	7.45
239	7.50	7.50	7.50
240	7.55	7.55	7.55

LIFE LONG GILT FUTURES OPTIONS			
Strike	Call	Put	Settlement
241	7.60	7.60	7.60
242	7.65	7.65	7.65
243	7.70	7.70	7.70
244	7.75	7.75	7.75
245	7.80	7.80	7.80
246	7.85	7.85	7.85
247	7.90	7.90	7.90
248	7.95	7.95	7.95
249	8.00	8.00	8.00
250	8.05	8.05	8.05

LIFE LONG GILT FUTURES OPTIONS			
Strike	Call	Put	Settlement
251	8.10	8.10	8.10
252	8.15	8.15	8.15
253	8.20	8.20	8.20
254	8.25	8.25	8.25
255	8.30	8.30	8.30
256	8.35	8.35	8.35
257	8.40	8.40	8.40
258	8.45	8.45	8.45
259	8.50	8.50	8.50
260	8.55	8.55	8.55

LIFE LONG GILT FUTURES OPTIONS			
Strike	Call	Put	Settlement
261	8.60	8.60	8.60
262	8.65	8.65	8.65
263	8.70	8.70	8.70
264	8.75	8.75	8.75
265	8.80	8.80	8.80
266	8.85	8.85	8.85
267	8.90	8.90	8.90
268	8.95	8.95	8.95
269	9.00	9.00	9.00
270	9.05	9.05	9.05

LIFE LONG GILT FUTURES OPTIONS			
Strike	Call	Put	Settlement

**AUTHORISED
UNIT TRUSTS**

Bell Court Fund Mgt PLC (1400)F				
1 Blandford St, London EC2M 2LB 071-374 2623/4				
America &	5166.16	166.16	182.30	1.65
UK & European	5059.43	358.83	395.49	1.23

Common Units	b				-2.29	0.86
Fixed & Comm.	b				-0.67	1.37
Common Units	b					
PT Europe	b					
PT Home Kiosk	b	51.30	51.58	24.87		

Verde Inc. Dist.	51 48 43	29 -0 21 5 31
Verde	51 55 70	28 -0 21 5 31
Verde Scholastic Dist.	51 71 44	25 10 31 10 49
Verde	51 73 36	47 10 31 10 49

Depreciation	5	82.33	82.33	88.06	-1.9%	6.48
Depletion	5	68.82	68.82	72.83	-0.0%	8.70
Net Income	5	35.80	144.66	143.50	-0.8%	15.89
Other Income	5	71.55	71.92	77.34	-0.4%	1.16
Other Exp's	5	14.22	43.09	96.28	-0.0%	1.16

prices are set on the basis of the price, a short period of time may elapse before prices become available.

60 New Oxford Street, London WC1A 1DB
Tel 071-252-0000.

Train	54	51.71	56.18	61.41
Train	54	36.06	38.30	40.16
Train	54	62.32	65.67	69.17
Train	54	66.76	70.27	73.92
Train	54	71.18	75.96	80.19

... 1987-1	242.4	317.9	+63.5
... 1988-1	237.9	241.1	+3.2
... 1989-1	239.19	261.1	+21.9
... 1990-1	221.4	237.7	+16.3
... 1991-1	221.4	228.0	+6.6
... 1992-1	221.4	245.5	+24.1
... 1993-1	221.4	261.1	+39.7
... 1994-1	221.4	277.7	+56.3
... 1995-1	221.4	294.3	+72.9
... 1996-1	221.4	310.9	+89.5
... 1997-1	221.4	327.5	+106.1
... 1998-1	221.4	344.1	+122.7
... 1999-1	221.4	360.7	+139.3
... 2000-1	221.4	377.3	+155.9
... 2001-1	221.4	393.9	+172.5
... 2002-1	221.4	410.5	+189.1
... 2003-1	221.4	427.1	+205.7
... 2004-1	221.4	443.7	+222.3
... 2005-1	221.4	460.3	+238.9
... 2006-1	221.4	476.9	+255.5
... 2007-1	221.4	493.5	+272.1
... 2008-1	221.4	510.1	+288.7
... 2009-1	221.4	526.7	+305.3
... 2010-1	221.4	543.3	+321.9
... 2011-1	221.4	559.9	+338.5
... 2012-1	221.4	576.5	+355.1
... 2013-1	221.4	593.1	+371.7
... 2014-1	221.4	609.7	+388.3
... 2015-1	221.4	626.3	+404.9
... 2016-1	221.4	642.9	+421.5
... 2017-1	221.4	659.5	+438.1
... 2018-1	221.4	676.1	+454.7
... 2019-1	221.4	692.7	+471.3
... 2020-1	221.4	709.3	+487.9
... 2021-1	221.4	725.9	+504.5
... 2022-1	221.4	742.5	+521.1
... 2023-1	221.4	759.1	+537.7
... 2024-1	221.4	775.7	+554.3
... 2025-1	221.4	792.3	+570.9
... 2026-1	221.4	808.9	+587.5
... 2027-1	221.4	825.5	+604.1
... 2028-1	221.4	842.1	+620.7
... 2029-1	221.4	858.7	+637.3
... 2030-1	221.4	875.3	+653.9
... 2031-1	221.4	891.9	+670.5
... 2032-1	221.4	908.5	+687.1
... 2033-1	221.4	925.1	+703.7
... 2034-1	221.4	941.7	+720.3
... 2035-1	221.4	958.3	+736.9
... 2036-1	221.4	974.9	+753.5
... 2037-1	221.4	991.5	+770.1
... 2038-1	221.4	1008.1	+786.7
... 2039-1	221.4	1024.7	+803.3
... 2040-1	221.4	1041.3	+819.9
... 2041-1	221.4	1057.9	+836.5
... 2042-1	221.4	1074.5	+853.1
... 2043-1	221.4	1091.1	+869.7
... 2044-1	221.4	1107.7	+886.3
... 2045-1	221.4	1124.3	+902.9
... 2046-1	221.4	1140.9	+919.5
... 2047-1	221.4	1157.5	+936.1
... 2048-1	221.4	1174.1	+952.7
... 2049-1	221.4	1190.7	+969.3
... 2050-1	221.4	1207.3	+985.9
... 2051-1	221.4	1223.9	+1002.5
... 2052-1	221.4	1240.5	+1019.1
... 2053-1	221.4	1257.1	+1035.7
... 2054-1	221.4	1273.7	+1052.3
... 2055-1	221.4	1290.3	+1068.9
... 2056-1	221.4	1306.9	+1085.5
... 2057-1	221.4	1323.5	+1102.1
... 2058-1	221.4	1340.1	+1118.7
... 2059-1	221.4	1356.7	+1135.3
... 2060-1	221.4	1373.3	+1151.9
... 2061-1	221.4	1389.9	+1168.5
... 2062-1	221.4	1406.5	+1185.1
... 2063-1	221.4	1423.1	+1201.7
... 2064-1	221.4	1439.7	+1218.3
... 2065-1	221.4	1456.3	+1234.9
... 2066-1	221.4	1472.9	+1251.5
... 2067-1	221.4	1489.5	+1268.1
... 2068-1	221.4	1506.1	+1284.7
... 2069-1	221.4	1522.7	+1301.3
... 2070-1	221.4	1539.3	+1317.9
... 2071-1	221.4	1555.9	+1334.5
... 2072-1	221.4	1572.5	+1351.1
... 2073-1	221.4	1589.1	+1367.7
... 2074-1	221.4	1605.7	+1384.3
... 2075-1	221.4	1622.3	+1400.9
... 2076-1	221.4	1638.9	+1417.5
... 2077-1	221.4	1655.5	+1434.1
... 2078-1	221.4	1672.1	+1450.7
... 2079-1	221.4	1688.7	+1467.3
... 2080-1	221.4	1705.3	+1483.9
... 2081-1	221.4	1721.9	+1500.5
... 2082-1	221.4	1738.5	+1517.1
... 2083-1	221.4	1755.1	+1533.7
... 2084-1	221.4	1771.7	+1550.3
... 2085-1	221.4	1788.3	+1566.9
... 2086-1	221.4	1804.9	+1583.5
... 2087-1	221.4	1821.5	+1600.1
... 2088-1	221.4	1838.1	+1616.7
... 2089-1	221.4	1854.7	+1633.3
... 2090-1	221.4	1871.3	+1649.9
... 2091-1	221.4	1887.9	+1666.5
... 2092-1	221.4	1904.5	+1683.1
... 2093-1	221.4	1921.1	+1699.7
... 2094-1	221.4	1937.7	+1716.3
... 2095-1	221.4	1954.3	+1732.9
... 2096-1	221.4	1970.9	+1749.5
... 2097-1	221.4	1987.5	+1766.1
... 2098-1	221.4	2004.1	+1782.7
... 2099-1	221.4	2020.7	+1799.3
... 2100-1	221.4	2037.3	+1815.9

[illegible]

■ Current Unit Trust prices are available on FT Cityline. Calls charged at 45p per minute peak and 34p off peak, inc VAT. To obtain your free Unit Trust Booklet ring (071) 925-2128.

Continued on next page

● Current Unit Trust prices are available on FT Cityline. Calls charged at 45p per minute peak and 34p off peak, inc VAT. To obtain your free Unit Trust Code Booklet ring (071) 925-2128.

[illegible]

● Current Unit Trust prices are available on FT Cityline. Calls charged at 45p per minute peak and 34p off peak, inc VAT. To obtain your free Unit Trust Code Booklet ring (071) 925-2128.

[illegible]

WORLD STOCK MARKETS

US MARKETS (3:00 pm)

July 12	July 11	July 10	July 9	July 8
Dow Jones	2997.77	2994.77	2997.23	2981.99
S&P 500	441.09	441.17	441.16	441.27
Nasdaq	1213.50	1205.04	1207.51	1211.74
NYSE Composite	206.54	205.87	205.98	206.73
NYSE Mid-Cap	361.84	361.94	360.50	359.87
NASDAQ Composite	488.37	487.17	483.64	479.51
NYSE Small-Cap	141.10	141.10	141.10	141.10

July 12	July 11	July 10	July 9	July 8
NYSE 100	100.00	100.00	100.00	100.00
NYSE 200	200.00	200.00	200.00	200.00
NYSE 300	300.00	300.00	300.00	300.00
NYSE 400	400.00	400.00	400.00	400.00
NYSE 500	500.00	500.00	500.00	500.00

July 12	July 11	July 10	July 9	July 8
NYSE 600	600.00	600.00	600.00	600.00
NYSE 700	700.00	700.00	700.00	700.00
NYSE 800	800.00	800.00	800.00	800.00
NYSE 900	900.00	900.00	900.00	900.00
NYSE 1000	1000.00	1000.00	1000.00	1000.00

July 12	July 11	July 10	July 9	July 8
NYSE 1100	1100.00	1100.00	1100.00	1100.00
NYSE 1200	1200.00	1200.00	1200.00	1200.00
NYSE 1300	1300.00	1300.00	1300.00	1300.00
NYSE 1400	1400.00	1400.00	1400.00	1400.00
NYSE 1500	1500.00	1500.00	1500.00	1500.00

July 12	July 11	July 10	July 9	July 8
NYSE 1600	1600.00	1600.00	1600.00	1600.00
NYSE 1700	1700.00	1700.00	1700.00	1700.00
NYSE 1800	1800.00	1800.00	1800.00	1800.00
NYSE 1900	1900.00	1900.00	1900.00	1900.00
NYSE 2000	2000.00	2000.00	2000.00	2000.00

July 12	July 11	July 10	July 9	July 8
NYSE 2100	2100.00	2100.00	2100.00	2100.00
NYSE 2200	2200.00	2200.00	2200.00	2200.00
NYSE 2300	2300.00	2300.00	2300.00	2300.00
NYSE 2400	2400.00	2400.00	2400.00	2400.00
NYSE 2500	2500.00	2500.00	2500.00	2500.00

July 12	July 11	July 10	July 9	July 8
NYSE 2600	2600.00	2600.00	2600.00	2600.00
NYSE 2700	2700.00	2700.00	2700.00	2700.00
NYSE 2800	2800.00	2800.00	2800.00	2800.00
NYSE 2900	2900.00	2900.00	2900.00	2900.00
NYSE 3000	3000.00	3000.00	3000.00	3000.00

July 12	July 11	July 10	July 9	July 8
NYSE 3100	3100.00	3100.00	3100.00	3100.00
NYSE 3200	3200.00	3200.00	3200.00	3200.00
NYSE 3300	3300.00	3300.00	3300.00	3300.00
NYSE 3400	3400.00	3400.00	3400.00	3400.00
NYSE 3500	3500.00	3500.00	3500.00	3500.00

EUROPEAN MARKETS (3:00 pm)

July 12	July 11	July 10	July 9	July 8
London	2997.77	2994.77	2997.23	2981.99
Frankfurt	441.09	441.17	441.16	441.27
Paris	1213.50	1205.04	1207.51	1211.74
Berlin	206.54	205.87	205.98	206.73
Rome	361.84	361.94	360.50	359.87
Madrid	488.37	487.17	483.64	479.51
Amsterdam	141.10	141.10	141.10	141.10

July 12	July 11	July 10	July 9	July 8
London 100	100.00	100.00	100.00	100.00
London 200	200.00	200.00	200.00	200.00
London 300	300.00	300.00	300.00	300.00
London 400	400.00	400.00	400.00	400.00
London 500	500.00	500.00	500.00	500.00

July 12	July 11	July 10	July 9	July 8
London 600	600.00	600.00	600.00	600.00
London 700	700.00	700.00	700.00	700.00
London 800	800.00	800.00	800.00	800.00
London 900	900.00	900.00	900.00	900.00
London 1000	1000.00	1000.00	1000.00	1000.00

July 12	July 11	July 10	July 9	July 8
London 1100	1100.00	1100.00	1100.00	1100.00
London 1200	1200.00	1200.00	1200.00	1200.00
London 1300	1300.00	1300.00	1300.00	1300.00
London 1400	1400.00	1400.00	1400.00	1400.00
London 1500	1500.00	1500.00	1500.00	1500.00

July 12	July 11	July 10	July 9	July 8
London 1600	1600.00	1600.00	1600.00	1600.00
London 1700	1700.00	1700.00	1700.00	1700.00
London 1800	1800.00	1800.00	1800.00	1800.00
London 1900	1900.00	1900.00	1900.00	1900.00
London 2000	2000.00	2000.00	2000.00	2000.00

July 12	July 11	July 10	July 9	July 8
London 2100	2100.00	2100.00	2100.00	2100.00
London 2200	2200.00	2200.00	2200.00	2200.00
London 2300	2300.00	2300.00	2300.00	2300.00
London 2400	2400.00	2400.00	2400.00	2400.00
London 2500	2500.00	2500.00	2500.00	2500.00

July 12	July 11	July 10	July 9	July 8
London 2600	2600.00	2600.00	2600.00	2600.00
London 2700	2700.00	2700.00	2700.00	2700.00
London 2800	2800.00	2800.00	2800.00	2800.00
London 2900	2900.00	2900.00	2900.00	2900.00
London 3000	3000.00	3000.00	3000.00	3000.00

July 12	July 11	July 10	July 9	July 8
London 3100	3100.00	3100.00	3100.00	3100.00
London 3200	3200.00	3200.00	3200.00	3200.00
London 3300	3300.00	3300.00	3300.00	3300.00
London 3400	3400.00	3400.00	3400.00	3400.00
London 3500	3500.00	3500.00	3500.00	3500.00

CANADA (3:00 pm)

July 12	July 11	July 10	July 9	July 8
TSE 300	2997.77	2994.77	2997.23	2981.99
TSX 100	441.09	441.17	441.16	441.27
TSX 200	1213.50	1205.04	1207.51	1211.74
TSX 300	206.54	205.87	205.98	206.73
TSX 400	361.84	361.94	360.50	359.87
TSX 500	488.37	487.17	483.64	479.51
TSX 600	141.10	141.10	141.10	141.10

July 12	July 11	July 10	July 9	July 8
TSE 100	100.00	100.00	100.00	100.00
TSE 200	200.00	200.00	200.00	200.00
TSE 300	300.00	300.00	300.00	300.00
TSE 400	400.00	400.00	400.00	400.00
TSE 500	500.00	500.00	500.00	500.00

July 12	July 11	July 10	July 9	July 8
TSE 600	600.00	600.00	600.00	600.00
TSE 700	700.00	700.00	700.00	700.00
TSE 800	800.00	800.00	800.00	800.00
TSE 900	900.00	900.00	900.00	900.00
TSE 1000	1000.00	1000.00	1000.00	1000.00

July 12	July 11	July 10	July 9	July 8
TSE 1100	1100.00	1100.00	1100.00	1100.00
TSE 1200	1200.00	1200.00	1200.00	1200.00
TSE 1300	1300.00	1300.00	1300.00	1300.00
TSE 1400	1400.00	1400.00	1400.00	1400.00
TSE 1500	1500.00	1500.00	1500.00	1500.00

July 12	July 11	July 10	July 9	July 8
TSE 1600	1600.00	1600.00	1600.00	1600.00
TSE 1700	1700.00	1700.00	1700.00	1700.00
TSE 1800	1800.00	1800.00	1800.00	1800.00
TSE 1900	1900.00	1900.00	1900.00	1900.00
TSE 2000	2000.00	2000.00	2000.00	2000.00

July 12	July 11	July 10	July 9	July 8
TSE 2100	2100.00	2100.00	2100.00	2100.00
TSE 2200	2200.00	2200.00	2200.00	2200.00
TSE 2300	2300.00	2300.00	2300.00	2300.00
TSE 2400	2400.00	2400.00	2400.00	2400.00
TSE 2500	2500.00	2500.00	2500.00	2500.00

July 12	July 11	July 10	July 9	July 8
TSE 2600	2600.00	2600.00	2600.00	2600.00
TSE 2700	2700.00	2700.00	2700.00	2700.00
TSE 2800	2800.00	2800.00	2800.00	2800.00
TSE 2900	2900.00	2900.00	2900.00	2900.00
TSE 3000	3000.00	3000.00	3000.00	3000.00

July 12	July 11	July 10	July 9	July 8
TSE 3100	3100.00	3100.00	3100.00	3100.00
TSE 3200	3200.00	3200.00	3200.00	3200.00
TSE 3300	3300.00	3300.00	3300.00	3300.00
TSE 3400	3400.00	3400.00	3400.00	3400.00
TSE 3500	3500.00	3500.00	3500.00	3500.00

ASIA (3:00 pm)

July 12	July 11	July 10	July 9	July 8
Nikkei 225	2997.77	2994.77	2997.23	2981.99
Hong Kong	441.09	441.17	441.16	441.27
Taiwan	1213.50	1205.04	1207.51	1211.74
Philippines	206.54	205.87	205.98	206.73
Thailand	361.84	361.94	360.50	359.87
Malaysia	488.37	487.17	483.64	479.51
Indonesia	141.10	141.10	141.10	141.10

July 12	July 11	July 10	July 9	July 8
Nikkei 100	100.00	100.00	100.00	100.00
Nikkei 200	200.00	200.00	200.00	200.00
Nikkei 300	300.00	300.00	300.00	300.00
Nikkei 400	400.00	400.00	400.00	400.00
Nikkei 500	500.00	500.00	500.00	500.00

July 12	July 11	July 10	July 9	July 8
Nikkei 600	600.00	600.00	600.00	600.00
Nikkei 700	700.00	700.00	700.00	700.00
Nikkei 800	800.00	800.00	800.00	800.00
Nikkei 900	900.00	900.00	900.00	900.00
Nikkei 1000	1000.00	1000.00	1000.00	1000.00

BIG M	254.70	+0.10
Bank of America	25.00	+0.00
Bayer AG	10.00	+0.00
Bell W (18)	10.00	+0.00
Best Buy	10.00	+0.00
Best Western	10.00	+0.00
Berkshire Hath	10.00	+0.00
BHP Bill	10.00	+0.00
BioCr	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets	10.00	+0.00
Boji Vets		

● Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 071-925-2129

THE PUBLISHER
OF THE
NEW YORK
Herald
and
tribune
PRINTING
ADVERTISING

● Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 071-825-2128.

[illegible][illegible][illegible][illegible]

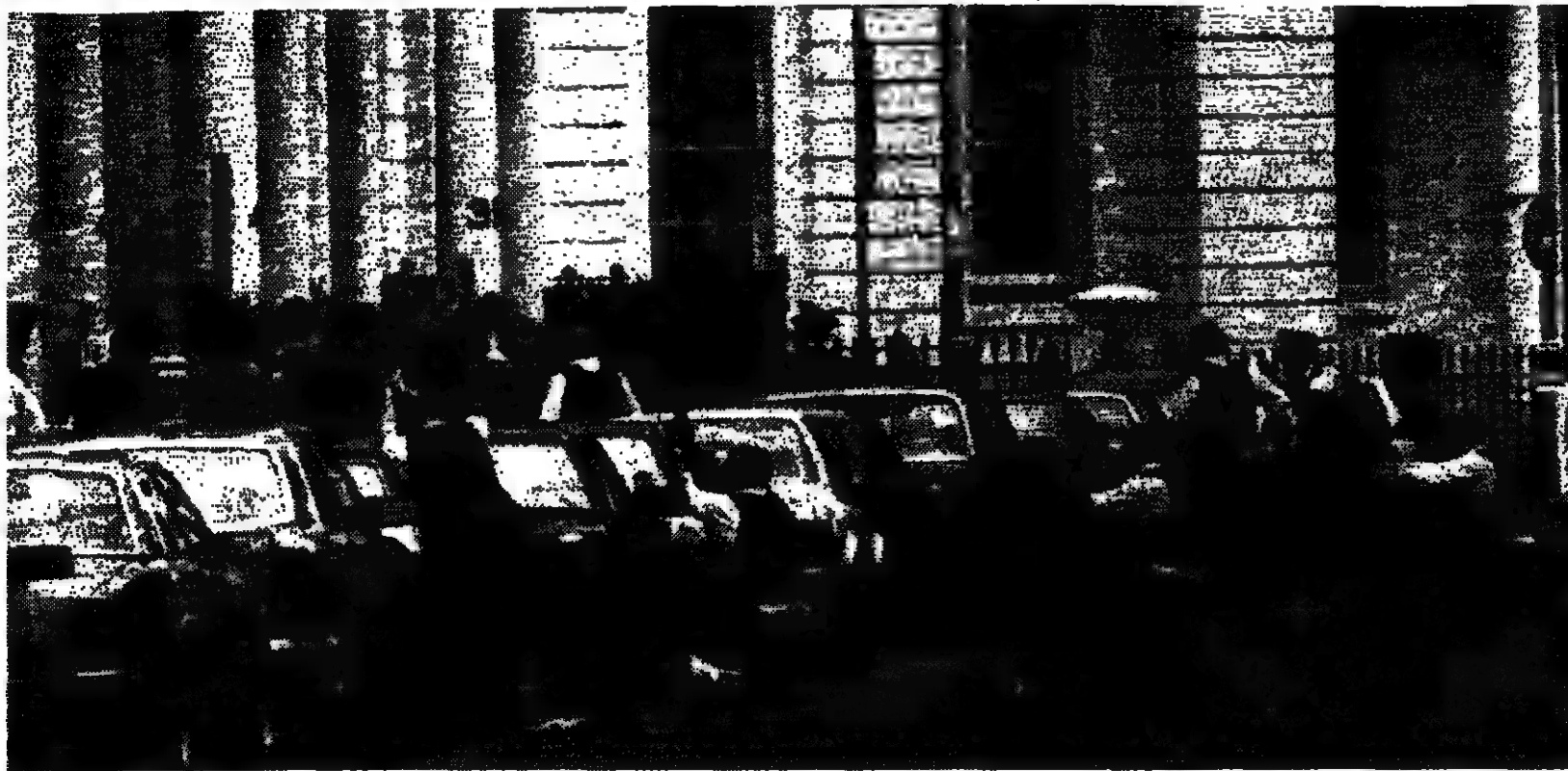
Oil Creek	24	Unlaw	68
Oil Springs	25	Unlaw	69
Orleans	26	Unlaw	70
Orleans	27	Unlaw	71
Orleans	28	Unlaw	72
Orleans	29	Unlaw	73
Orleans	30	Unlaw	74
Orleans	31	Unlaw	75
Orleans	32	Unlaw	76
Orleans	33	Unlaw	77
Orleans	34	Unlaw	78
Orleans	35	Unlaw	79
Orleans	36	Unlaw	80
Orleans	37	Unlaw	81
Orleans	38	Unlaw	82
Orleans	39	Unlaw	83
Orleans	40	Unlaw	84
Orleans	41	Unlaw	85
Orleans	42	Unlaw	86
Orleans	43	Unlaw	87
Orleans	44	Unlaw	88
Orleans	45	Unlaw	89
Orleans	46	Unlaw	90
Orleans	47	Unlaw	91
Orleans	48	Unlaw	92
Orleans	49	Unlaw	93
Orleans	50	Unlaw	94
Orleans	51	Unlaw	95
Orleans	52	Unlaw	96
Orleans	53	Unlaw	97
Orleans	54	Unlaw	98
Orleans	55	Unlaw	99
Orleans	56	Unlaw	100

BARR
CONSTRUCTION
We aim to expand by Contracting
Telephone Ayr (0292) 281311

FINANCIAL TIMES

Weekend July 13/July 14 1991

Familian
Number 1 in plumbing - Western U.S.A.
WOLSELEY plc
The name behind the name.



Police surrounded the Turkish embassy in London yesterday after Kurdish demonstrators had occupied the building in Belgrave Square. A police helicopter and hundreds of officers, some armed, arrived within minutes to seal off the square, trapping the demonstrators in the embassy. At least 30 protesters were arrested after they had ransacked offices and dented slogans on walls and windows during a two-hour siege. The incident, among several Kurdish protests across Europe yesterday, follows anger at the killing of 12 people by police in Istanbul Turkey on Wednesday. Page 5

Findus to close Grimsby fish plant

By Guy de Jonquieres, Consumer Industries Editor

FINDUS, one of Britain's leading frozen food suppliers, plans to close its plant in Grimsby, Humberside, with a loss of 900 jobs over the next two years.

The decision will end the company's production of fish fingers and other frozen coated fish in the UK.

Findus, part of the Swiss Nestlé group, blamed weaker demand for its products, 40 per cent of the plant's output. It said total sales of fish fingers had fallen by a quarter since 1987, as consumers had switched to other convenience foods such as pasta and pizza dishes.

Changing tastes, fiercer competition and a 50 per cent rise in raw cod prices in the past four years had eroded profits and made the 30-year-old Grimsby plant uneconomic, the company said.

Birds Eye Foods, the biggest UK producer of frozen coated fish products, said that, although the market had grown tougher, it was exaggerating the sales decline. "It is not the case that the fish finger is on the way out. We have experienced no such problems," Birds Eye said.

Findus has invested £11m since 1986 in modernising the Grimsby plant and equipping it to make other types of convenience foods, but it has recently operated at between only 50 per cent and 60 per cent of capacity.

The company will consolidate production at its other UK plant, a newer facility in Longbenton, Newcastle upon Tyne. A planned £2m investment there is expected to create 100 jobs over the next two years.

Production at Grimsby will be steadily run down over the same period. Findus said it would delay compulsory redundancies until next year.

The company is the fifth largest employer in Grimsby, where the unemployment rate is 11.7 per cent. A Grimsby council official said the planned closure was a "devastating blow".

Findus is setting up a task force with a £250,000 budget in an effort to cushion the economic impact of the closure. It will explore other ways to save jobs and help retraining employees with re-training and in founding new businesses.

The company plans to concentrate frozen food production on such as lasagne, crispy pancakes and pizza.

It said that if it saw any demand for coated fish products in the future, it would meet it by sourcing from smaller UK suppliers or by importing from other parts of Europe.

Findus claims 15 per cent of the British frozen retail fish market, worth about £300m annually. However, Birds Eye and some independent producers estimate the company's share at only 2 per cent.

Bush moves to salvage CIA nomination

By Lionel Barber in Washington

PRESIDENT George Bush yesterday made an impassioned appeal to salvage the nomination of Mr Robert Gates as next director of the Central Intelligence Agency.

And fresh evidence pointing to an official cover-up of the Iran-Contra arms-for-hostages scandal, an angry Mr Bush said the Senate for delaying Mr Gates' confirmation hearings and expressed full confidence in his nomination.

During a news conference at his summer home in Kennebunkport, Maine, Mr Bush said Mr Gates was the victim of anonymous rumours. Looking visibly agitated, the president called on senators to resist further delays in the hearings.

Mr Bush said of senators involved: "They ought not to panic and run like a covey of quail because somebody has made an allegation against a man whose word I trust, and who, as I understand it, hasn't been fingered by what's coming out of this process."

Mr Bush's statement followed an appeal from the New York Times and other news organisations that the special prosecutor in the Iran-Contra inquiry had obtained important new evidence. This comprised hundreds of tapes of phone conversations between CIA headquarters and CIA agents in Central America involved in the White House operation to supply arms to the Nicaraguan Contra rebels in the mid-1980s.

Mr Bush was vice-president at the time, and Mr Gates was deputy CIA director. Both men denied knowledge of the Contra re-supply network until shortly before the Iran-Contra scandal broke in November 1986.

However, doubts about Mr Gates' version of events were sufficient to sink his nomination as CIA director in 1987.

Two months ago, in what appeared to be a gamble, Mr Bush nominated Mr Gates once again for the top CIA post. In the past few weeks, two stories have surfaced which could torpedo the nomination.

The first focuses on allegations that Mr Gates, while deputy CIA director, was involved in supervising the illegal CIA tapes - an echo of the CIA's role in the Iran-Contra scandal which exposed the cover-up which brought down President Nixon in 1974.

The second story appeared this week when Mr Alan Fiers, a former CIA official who headed the House Select Committee on Assassinations task force, pleaded guilty to withholding information from Congress about the Contra operation. In his plea bargain, Mr Fiers directly implicated a third-ranking CIA official in a cover-up. Mr Fiers' co-operation, it is believed, stems from the counsel's possession of the CIA tapes - an echo of the CIA's role in the Iran-Contra scandal which exposed the cover-up which brought down President Nixon in 1974.

The second story appeared this week when Mr Alan Fiers, a former CIA official who headed the House Select Committee on Assassinations task force, pleaded guilty to withholding information from Congress about the Contra operation. In his plea bargain, Mr Fiers directly implicated a third-ranking CIA official in a cover-up. Mr Fiers' co-operation, it is believed, stems from the counsel's possession of the CIA tapes - an echo of the CIA's role in the Iran-Contra scandal which exposed the cover-up which brought down President Nixon in 1974.

Gorbachev to promise G7 radical defence changes

By John Lloyd in Moscow and Peter Riddell in Washington

PRESIDENT Mikhail Gorbachev will announce a radical conversion of the Soviet defence industry to the Group of Seven leaders in London next week during what is likely to be a sweeping appeal to the idealism and imagination of the world's leaders.

Mr Gorbachev said yesterday that the radicalism of his plans for the Soviet Union could be judged by the measures he would propose on the vast Soviet defence complex industry. "We are opening the door to the sacred place," he said.

His signal on defence conversion raises the possibility that he will make large-scale foreign investment in this sector, the most technically advanced in the Soviet Union and one in which foreign interest is already being shown.

In an appeal to "the leaders of the world's countries", Mr Gorbachev said he would move away from "simple co-operation to the organic incorporation of the Soviet economy into the world system based on the generally accepted rules of the game".

However, the US gave a lukewarm reception to a 23-page letter Mr Gorbachev and other G7 leaders setting out his economic reform plans.

Mr Bush described it as "a letter" but added that "we've got some differences with it" while Mr Brent Scowcroft, the president's national security adviser, said the letter was "the same kinds of things that we've seen before".

Mr Scowcroft said it reported that Soviet military spending had already been cut by 20 per cent, a figure which was "difficult questions to answer".

"It's not all good," he said, "but they have a precise understanding of total defence expenditures."

Mr Gorbachev yesterday explicitly recognised that large sums would not be sent to London, saying that "free financial resources are scarce in the world and I believe that our co-operation will mainly be in the field of initiating projects and project finance".

The Soviet president spoke to the leadership of the Soviet Supreme Soviet only an hour after the parliament had overwhelmingly agreed to support his union treaty, with significant amendments, including a demand that federal tax be levied on all republics.

The government's anti-crisis plan, signed by 10 out of the 15 republics earlier this week, allows them to pay tax to the centre at their discretion.

Mr Gorbachev now has the blessing of the Soviet parliament and the leaders of 10 republics for his trip to the G7, though his success will depend on the agreement in which important questions of division of powers between the centre and the republics are still to be settled.

Weapons proliferation, Page 2

Base rates

Continued from Page 1

Household goods, clothing and footwear, and personal goods and services all showed stubborn price increases and led some City analysts to question the wisdom of the latest base rate cut - the opportunity for which had been opened by Thursday's decision by the Bundesbank council in Germany to keep its own interest rates unchanged.

Financial markets reacted calmly to the rate cut, and sterling closed in London unchanged against the D-Mark at DM2.55, exactly on its central position in the exchange rate mechanism.

However, Mr John Maples, economic secretary to the Treasury, struck a dampening note with his caution over further cuts in interest rates. Speaking on Channel 4 television, Mr Maples said that room for a further easing in monetary policy "is now very considerably more limited than it was earlier". But he thought the latest cut in interest rates, combined with the decision to start to feed through to consumer demand, bolstering economic activity.

In contrast, Mr John Birt, economics spokesman for the opposition Labour party, said the outlook was still poor. He said the cut should have been by a full percentage point, while the rise in underlying inflation was "discouraging and depressing".

Mr John Birt, director general of the Confederation of British Industry, said the cut was "small but welcome".

BCCI

Continued from Page 1

BCCI could not rely on outside assistance if it got into trouble and that it showed some signs of failing to perform in line with its peers.

"If we were to rate BCCI, I believe our Legal Basis would be 5 and, on the basis of published data, our Individual Rating would be somewhere between C and D," IBCA wrote to a client on March 22 1990.

In the language of ratings agencies, this meant the bank was already showing some signs of possible trouble and that no help would be available if it needed a bail out.

Barclays & Poors and Moody's Investment Services, the two biggest US credit rating agencies, did not rate BCCI.

CHIEF PRICE CHANGES YESTERDAY

New York prices at 12.30.

FRANKFURT (Dm)			
BMW (B)	485.5	+	9
Hoechst	251.5	+	3.5
Schering	535	+	15
Fella			
Rheinmetall Berlin	337	-	7
NEW YORK (\$)			
Aziar	64	+	1/2
Fella			
Section Dick'n	67	-	7 1/2
Chemical Waste	35 1/2	-	2
Time Warner	90 1/2	-	3 1/2
Westinghouse El	25 1/2	-	1 1/2
PAIRS (Pfizer)			
Siemens			
Azi	945	+	21
LONDON (Pounds)			
ADT	583	+	108
SPB Ind	182	+	4
Brent Walker	29	+	4
Grand Met	777	+	10
Interpore	170	+	22
Morris Ashby	73	+	8
Reuter	811	+	19
Eden			
Alan Paul	84	-	8
NEW YORK (\$)			
Brit Telecom	381 1/2	-	5 1/2
Canon St Inva	60	-	8
Chrysler Mar	71	-	6
Chrysler Grp	37	-	6
Glaxo	1248	-	26
ICI	1282	-	16
Jackson Grp	50	-	8
Park Organ	638	-	27
Thames Water	276	-	6
Willis Corroon	305	-	11

WORLDWIDE WEATHER

Today: An eastward movement of cloud and rain will result in a mainly dry day over much of England, but isolated showers are expected in the west and over Wales. Further north, over Scotland and N Ireland there will be sunny periods and scattered showers. Outlook: Dry tomorrow, further rain on Monday.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17</
---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	------

Caviare and corruption: the fuel of the Soviet empire

Gillian Tett, Carey Scott and James Morgan meet the Moscow mafia and its hangers-on

AS THE Soviet economy disintegrates, leaders of the Group of Seven industrialised countries meet in London this weekend to discuss rescue schemes. But a shadowy economy is thriving amid chaos: black-market dealers, prostitutes, corrupt officials are cashing in on the collapsing ruble and the lure of the mighty dollar. The FT correspondents portray a system that works only for those who know how to misuse it.

BREAKFAST at Olga Petrovna's in the Moscow suburbs is a chaotic affair. Olga, a former bank official, is serving breakfast to a group of Westerners. The room is filled with the smell of fried food and the sound of clattering plates. Olga is a woman of many faces, sometimes stern, sometimes smiling. She is a woman who has seen it all, and she is not afraid to tell you so.

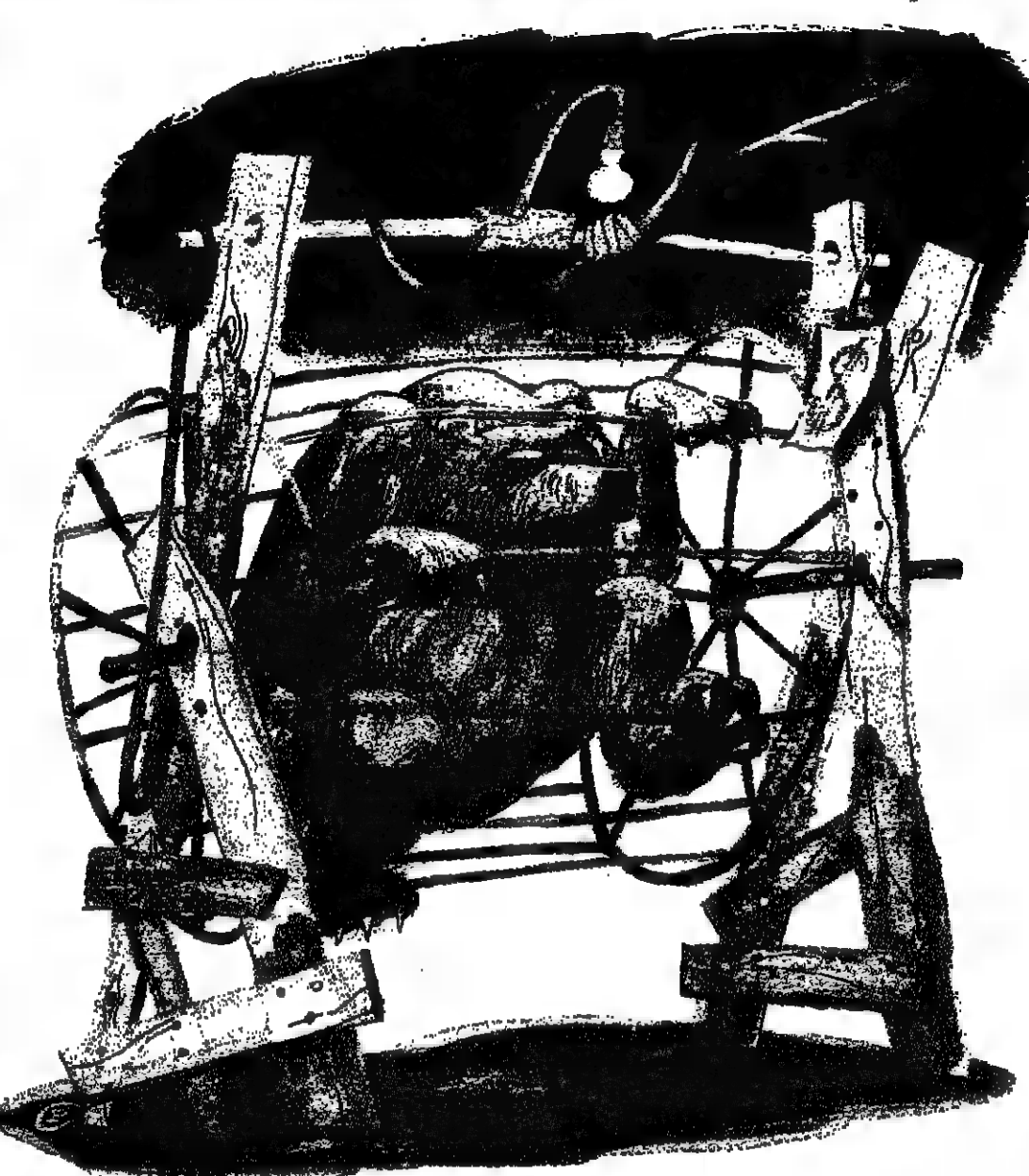
Olga is a woman who has seen it all, and she is not afraid to tell you so. She is a woman who has seen it all, and she is not afraid to tell you so. She is a woman who has seen it all, and she is not afraid to tell you so.

Olga is a woman who has seen it all, and she is not afraid to tell you so. She is a woman who has seen it all, and she is not afraid to tell you so. She is a woman who has seen it all, and she is not afraid to tell you so.

Olga is a woman who has seen it all, and she is not afraid to tell you so. She is a woman who has seen it all, and she is not afraid to tell you so. She is a woman who has seen it all, and she is not afraid to tell you so.

Olga is a woman who has seen it all, and she is not afraid to tell you so. She is a woman who has seen it all, and she is not afraid to tell you so. She is a woman who has seen it all, and she is not afraid to tell you so.

Olga is a woman who has seen it all, and she is not afraid to tell you so. She is a woman who has seen it all, and she is not afraid to tell you so. She is a woman who has seen it all, and she is not afraid to tell you so.



Olga is a woman who has seen it all, and she is not afraid to tell you so. She is a woman who has seen it all, and she is not afraid to tell you so. She is a woman who has seen it all, and she is not afraid to tell you so.

Olga is a woman who has seen it all, and she is not afraid to tell you so. She is a woman who has seen it all, and she is not afraid to tell you so. She is a woman who has seen it all, and she is not afraid to tell you so.

Olga is a woman who has seen it all, and she is not afraid to tell you so. She is a woman who has seen it all, and she is not afraid to tell you so. She is a woman who has seen it all, and she is not afraid to tell you so.

Olga is a woman who has seen it all, and she is not afraid to tell you so. She is a woman who has seen it all, and she is not afraid to tell you so. She is a woman who has seen it all, and she is not afraid to tell you so.

Olga is a woman who has seen it all, and she is not afraid to tell you so. She is a woman who has seen it all, and she is not afraid to tell you so. She is a woman who has seen it all, and she is not afraid to tell you so.

Olga is a woman who has seen it all, and she is not afraid to tell you so. She is a woman who has seen it all, and she is not afraid to tell you so. She is a woman who has seen it all, and she is not afraid to tell you so.

Olga is a woman who has seen it all, and she is not afraid to tell you so. She is a woman who has seen it all, and she is not afraid to tell you so. She is a woman who has seen it all, and she is not afraid to tell you so.

that maybe the... been forced on Gorbachev. And maybe it hadn't. You get a lot of answers like that in Russia.

However, Bogomolov did say that there was no doubt that the leadership was committed to a market economy. "The trouble is that they are all wholly incompetent in market economics."

Even "free" markets, they do not work. I went to the Cherekhovskiy free market in Moscow after the stalls belonging to Azerbaijani traders had been smashed up by the Russian mafia. The Azeris were arrested. But I was more interested in why nobody was buying any goods. The traders said their costs had risen, so their prices had to rise too. The customers said they could not afford the goods. The idea of prices being set by the market and transmitting signals to suppliers seemed utterly foreign.

The free market is being given an even worse name by anomalies created by the haphazard lurch of parts of the economy into dollars. Western preaching is simply not understood. While in Warsaw or Prague the man on the street knew there was a system that worked in the other half of Europe, the Russians have only a hazy idea of its virtues - although they may also see things which we miss.

One night recently I sat on the balcony of the dacha belonging to Vladimir and his wife, Ludmila. The temperature had been unbearable in the city but here the lake cooled the air. Peasants worked to clear the hay; the cries of drunks could be heard in the distance. I wondered how it could possibly be privatised. The dacha was an apartment block, owned by 40 families. The field had been given by the state farm. No documents had changed hands. The owners of the flats let the peasants take the hay for their private plots.

So what is the west to do? Financial aid has been ruled out unless there are economic reforms, but even then the precedents are bad. And there is a precedent. Vladimir Gerasimov of Moscow News told me that in the ten years only after the first oil price shock and up to the beginning of perestroika, the Soviet Union received \$176bn in oil revenues. It was this money that kept the Communist Party in power. The earnings bought the essential supplies of consumer goods from the west that enabled every party secretary from Leningrad to Nakhodka to hang on to his power base.

It was no surprise that perestroika began when oil prices and Soviet production fell. Under Brezhnev the capacity for mass repression dwindled; only patronage and corruption remained.

I came in from the balcony and said: "For a tourist, the worst thing about this country is that I cannot say to you: 'Why don't we nip down the road to the pub or cafe?'"

Ludmila said: "That would be impossible. It brings colour and individuality into people's lives."

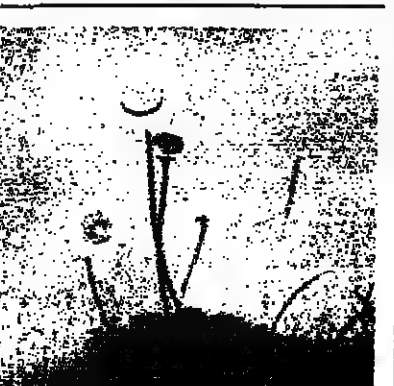
"It is much easier to rule over people who feel unsuccessful and are rather unhappy," added Vladimir.

James Morgan is a Correspondent of the BBC World Service.

CONTENTS

Finance: All you need to know to pick your ideal PEP	page III
Food & Wine: German fare with French flair	page VII
How To Spend It: Japanese bring simple quality to London	page IX
Travel: Driving dangerously on the road to Manhattan	page XIV
Art: A glum 12 months in the salerooms	page XVII
Private View: Woody Allen: the joker with a serious side	page XX
Arts	XVI-XVII
Books	XVI
Bridge	XX
Cheese	XX
Compassion	XX
Finance & the Family	IX-VI
Food & Wine	VII
How To Spend It	IX
How To Spend It	IX
Markets	XX
Mastering Your Own Business	VI
Motoring	XX
Property	XX
Sport	XX
Travel	XX
TV & Radio	XX

NEXT WEEK



As the recession enters its fifth quarter, many private investors have become disillusioned. The summer of the FT Quarterly Review Personal Finance, to be published with the newspaper, Friday Saturday, is some of the most important that still has to be taken, even in discouraging times.

The Long View/Barry Riley

The mint with a hole



MILKY BAR versus KIT-KAT was one of the last of the takeover battles of 1989. The acquisition of Rowntree by Nestlé just three years ago created a lot of controversy. The reason for this was that, unusually, a detailed investigation had been conducted into the affairs of the takeover. The reason for this was that the takeover was the subject of a general inquiry into corporate takeovers in the UK, and although that was about more than the details of the deal, it was a study of the Rowntree takeover and the takeover was produced by Evan Davis and Gordon Bannock as part of the background research.

My judgment at the time was that it was unlikely that Rowntree's struggling confectionery operation could add much to Nestlé, that Nestlé shareholders were unwise to be buying Rowntree collectively for more than what they could have bought the company's shares for individually; and that Nestlé was minding what which it was unduly reluctant to pay out to its shareholders (indeed it was, and is, discouraged by the Swiss law system so doing).

There had to be convincing reasons why big companies should acquire successful smaller ones. Rowntree was a semi-monopoly position, and large profits, in Nestlé, but the fact was that it has an economic rationale for gobbling up Quality Street or Polo. At the time it bid was £2.6bn for Rowntree, the Swiss giant had some £2.7bn in liquid resources. They were temporarily eroded, but by the end of last year had been built up to £2.2bn again.

On a quick way of using up the cash is to pay over the odds: Nestlé paid a premium of 100 per cent relative to Rowntree's pre-bid market value. The financial study of the Rowntree takeover appears to have gone straight out to Rowntree's shareholders. Davis and Bannock suggest that some of the money paid for Rowntree quickly came off the Rowntree price, so that Nestlé's own shareholders were the losers. However, such calculations are tricky, and the effect was further confused when Rowntree made its 1988 bid for the Swiss giant. The beginning of 1989 Rowntree share price had performed just about in line with the Swiss market as a whole, and it is hard to draw any conclusions, because it is impossible to say how Nestlé would have performed without Rowntree.

At least Nestlé/Rowntree was an example of a merger that had rational industrial objectives: the many of the other big mergers of that time were inspired by financial engineering or simple personal ambition, which provides plenty of subject matter for the study called Corporate Takeovers and the Public Interest, written by Bannock together with Sir Alan Peacock.

They do not think that takeovers in general are bad, but there is no clear evidence that they do any good either. Germany and Japan, along perfectly well without contested bids. The argument for takeover activity is that it irons out inefficiencies in the markets and the economy is larger, but Peacock and Bannock argue the contrary that there are biases in the British financial system which encourage takeovers, in a way which does not benefit the economy. The fact is that the system encourages big companies to buy out the small ones, and the savings made in such a way as to channel resources to intermediary institutions and thus to divert the ownership of companies from their effective control.

While I agree with much that Peacock and Bannock say, a more practical remedy may lie in the area of reform of corporate governance. The investment institutions will scarcely welcome such changes that would remove much of their economic role. But they might be persuaded that they should do more to justify the concentration of proprietary power within their grasp. They could start by insisting on improvements in financial reporting, and then consider how long-term relationships and objectives might be agreed with company managements. Switzerland is another country, but if Rowntree's long-suffering shareholders (the bearer shares are still trading at a price first reached in 1986) had stuck up for themselves in the same way, perhaps there would not have been such a bonus for investors in Rowntree. Nestlé's mint had a hole in it.

Why waste your money buying shares?

5p

A 5 pence piece in all Foreign & Colonial ask in charges for every £25 you invest in the stockmarket.

So why waste money in charges when you need only pay a few pence? Our Private Investor Plan is one of the easiest and probably the cheapest way to invest in stocks and shares. Through the Plan you can now invest that much more in the successful companies we have carefully selected to build your savings.

Shouldn't you be making more of your money with the help of the world's most experienced investment trust manager? For your copy of our Private Investment Plan brochure and application form, phone Eleanor Brett on 071-628 0000 during office hours or our 24 hour number below. Alternatively, post the coupon today.

Share in the success.

24 HOUR PHONE SERVICE 071-454 1404

Foreign & Colonial

INVESTMENT TRUSTS

For a copy of our Private Investor Plan brochure and application form, send this coupon to:

Foreign & Colonial Management Limited, PO Box 2, Tavistock, Devon PL1 9QW

NAME

ADDRESS

POSTCODE

Foreign & Colonial Management Ltd is a Manager of eight Foreign & Colonial investment trusts and a member of IMRO. Charges include Government stamp duty (maximum 50p). The value of shares can fall as well as rise and past performance is no guide to the future.

FINANCE AND THE FAMILY

London Markets

The silent music of the spheres

A PRESS release from Brockett Publishing, based in Cambridge, summarises the latest of one of its authors, Hamish Watson: "Economist Says that The Downing Has Bottomed Out and That the Recovery has Started; Predicts that the Expansion Will Gain Momentum in the Summer and Autumn; Warns that ERM Commitment Needs to be Maintained Over the Medium and Longer Term."

"Finds that Jupiter-Saturn Gravitational Alignments are Modulating Solar Cycle and Earth's Magnetic Cycle; Ground Level Electromagnetic Field Variations are Triggering Fluctuations in Confidence and Economic Cycle, He says."

The market may not share Hamish Watson's confidence in the second part of the theory. But for the early part of the week it appeared to be believing that the first part might not be so far from the truth.

Share prices continued their climb from the low point reached in late June, with signs that the London stock market might at last be about to burst through the top of the trading range - between 2,450 and 2,550 on the FT-SE index - in which it has been trapped for three months.

Contributing to this performance was the belief, borne out by events, that Friday would see another half-point

cut in interest rates. The enthusiasm in the market - which included a positive response to a series of large share placings with institutional investors - stemmed from the belief that the economy is at last bottoming out.

This seemed to stem from no particular flow of new evidence, rather it appeared to be a case of mass mental shifts, linked perhaps to Dr Watson's electro-magnetic cycles or the onset of sunny weather.

On Friday, however, as the rain clouds gathered again, the City (and, perhaps, the electro-magnetic influences) turned malign. Disappointment in the June Retail Index figures, which were expected to show progress towards the Holy Grail of lower-than-German inflation by the autumn, were unchanged at an annual rate of 4.9 per cent. The belief that the market was about to break out of its trading range evaporated. The FT-SE, which had been gambolling along above the 2,500 mark for the past two days, turned south, and closed on Friday at 2,497.4, up 12.7 on the week.

Gravitational alignments of one sort and another were on view throughout the week. Bank stocks dropped on Monday in the wake of the BCCI closure, but had made up lost ground by Friday. (Meanwhile, Midland Bank's share price

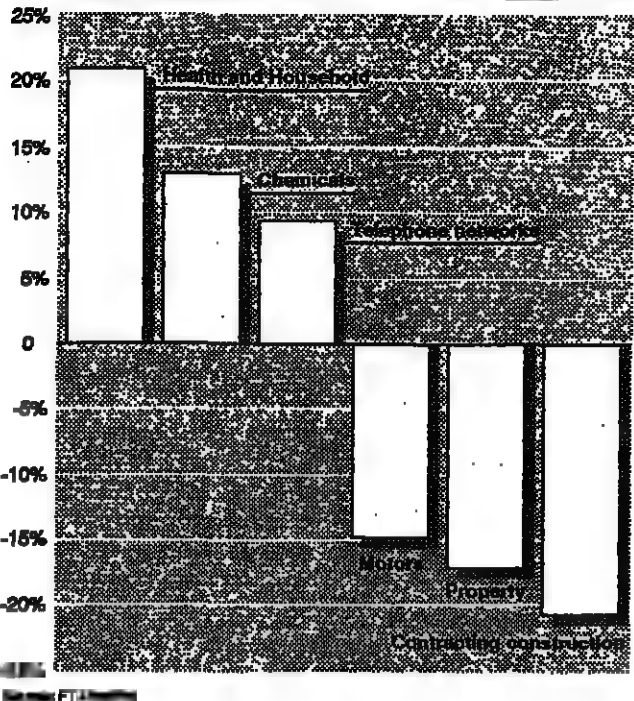
appeared to show little impact from the news that it was to be "twinned" with a Polish bank under a know-how sharing arrangement, though investors might have taken heart from the thought that at least one bank somewhere in the world regards Midland as a role model.)

Another stock affected by BCCI's provisional pull was Nazim Virani's Control Securities, which dropped from 13½p to 8½p on Monday, 6.1m shares traded. BCCI speaks for 5.5 per cent of Control Securities. The price recovered well, however, ending the week at 17½p, down 2½p from the previous Friday.

Some of Dr Watson's Ground Level Electromagnetic Field Variations were clearly affecting ADT, the Bermuda-based security and car caution group. The shares were already dropping in the early part of the week as IBCA, the UK rating agency, downgraded the company. On Wednesday came a confusing piece of news from Laidlaw, the Canadian transport and waste-disposal group which was 28 per cent of ADT. Reporting a 44 per cent slide in quarterly earnings, Laidlaw placed much of the blame on a sharp drop in the contribution from ADT. The London market interpreted this as an indication of more bad news from ADT. On Thursday, ADT's share price dropped 1½p to 48p, the lowest price

Leaders and laggards

FT-A indices relative to the FT-A All-Share since 15 1991



FINANCE AND THE FAMILY

How to PEP up your portfolio

Personal Equity Plans can offer attractive tax-free income and gains to investors. Philip Coggan explains how to decide which is best for you

PERSONAL Equity Plans are growing in popularity. The lure of tax-free income capital gains has grown, especially now that the annual limit is £5,000 a year.

They will get even more popular over the next year as a general election grows closer. Labour is unenthusiastic about PEPs and they are unlikely to survive in their current form. So there may be an element of 'buy now, while (tax-free) stocks last'.

There are, according to Chase de Vere, more than 400 PEPs available. So how does one select a PEP?

The first task is to decide what kind of investor you are. Do you feel hopelessly lost in the world of high finance? You will probably want a managed PEP. Have you more than £25,000 to invest this year? You would probably be best in a unit or investment trust. The former have immensely popular in recent years, with almost 700,000 unit trusts in existence, more than 100,000 taken out in the first quarter of this year.

If you are confident enough to choose your own investments, you will want a self-select PEP. But it not divide your £5,000 allowance into too many small lumps - the charges will be crippling.

Whichever PEP structure you choose, Michael Chadwick of Chase de Vere recommends that you should slant your plan towards income, rather than growth-based plans. Only a limited number of investors

are likely to see up their annual £5,000 capital gains allowance. It is reinvesting the growth income that is the main attraction for most PEPs.

Finding good performance figures is one of the most frustrating problems for a putative PEP investor. PEPs can have a record of more than four-and-a-half years.

Those who are interested solely in unit and investment trusts PEPs have an advantage since they can look at the published records of these funds. But they should look beyond the one year figures and see whether the fund is consistently better than average over a longer period.

What is a PEP?

A PERSONAL Equity Plan gives the right to shares, unit and investment trusts so that any gains or income are tax-free.

At the moment, only one PEP can be taken out per year although from January 1 1992 investors will be able to add a single company PEP to a conventional plan. There is no time limit for a PEP holding.

The maximum holding in a general PEP is £5,000 per tax year, when the single company PEP is introduced, that will have a £3,000 limit. An investor who opened both could invest £9,000 in the current tax year.

You can only invest £3,000 in a unit or investment trust within a PEP. Currently the PEP must have at least 10 per cent in UK investments, but from the autumn, this limit will be extended to cover European Community investments.

If you already own shares, you want to transfer them into a PEP, you will have to 'bed and breakfast them' - sell them to the plan manager and buy them back. Anyone over 18 can open a PEP, and husbands and wives can each have one.

Charges

INVESTORS should make sure they are aware of all the charges on their PEPs before investing. In some cases, the charges will outweigh the tax breaks.

There will normally be an initial charge - anything from

1 to 6 per cent - an annual management charge (likely to be between 1 and 1½ per cent) and further charges every time you deal. Some impose penalties on partial withdrawals.

Charges will vary depending on the kind of PEP you choose. They should be lowest on a self-select PEP, and on a unit trust PEP charges will frequently be no higher than on buying the same trust directly. They are likely to be highest on a managed equity PEP.

Best PEP Selections has analysed the immediate Realisation Value, which is what you would receive if you sold your PEP immediately after buying it. The average RV is £2.93 per cent; in the worst the investor loses 7.1 per cent of his money as soon as he takes out a PEP.

Add in the annual charges and the investor might see 10 per cent of his money disappear in the first year.

Compare that with the advantages. If the portfolio yields 10 per cent, then the saving would be £200 per year for a basic rate payer and 2 per cent for someone on the higher rate. A basic rate taxpayer might easily make several years to recoup the charges.

Managed PEPs

WITH the majority of PEPs, the investor's choice is limited to choosing the manager at the outset. Look for a fund with a manager with a good record, a broadly based investment strategy and low charges.

Self-select PEPs

MANY readers will be attracted by a self-select PEP and Michael Chadwick of

Chase de Vere points to where the charges are low.

Killick (071-224-2050) no annual or initial charge and commissions on dealings are 1.85 per cent, with a minimum of £10. However, there is a dividend charge of £7.50 every time a company within the PEP pays a dividend. This makes the PEP most attractive to those who want to buy only one or two shares - the total charge on a two-share PEP where companies pay half-yearly dividends would be £30.

Pilling (011-224-2071) no annual or initial charge and commissions on dealings are 1.1 per cent, with a minimum of £10. It also makes a dividend charge of £10 a time. The total charge on a two-share PEP where dividends are paid biannually would be £20.

Sharelink (021-200-2243) waiving its initial charge of £25 plus VAT, but it also has an annual charge of 0.25 per cent, with a minimum of £17.50 and a maximum of £100. There is no dividend collection charge.

Sharelink (021-200-2243) waiving its initial charge of £25 plus VAT, but it also has an annual charge of 0.25 per cent, with a minimum of £17.50 and a maximum of £100. There is no dividend collection charge.

Sharelink (021-200-2243) waiving its initial charge of £25 plus VAT, but it also has an annual charge of 0.25 per cent, with a minimum of £17.50 and a maximum of £100. There is no dividend collection charge.

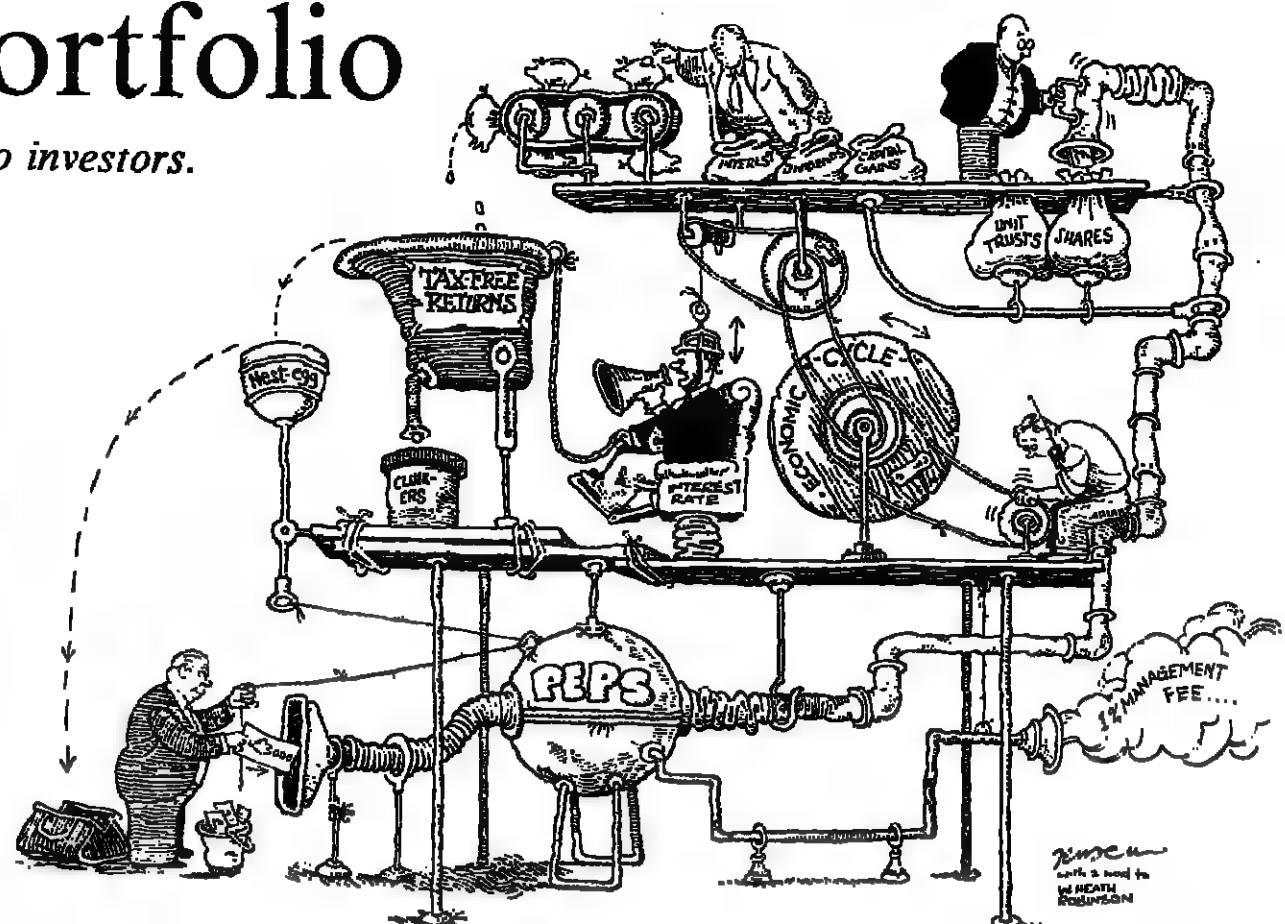
Mixed, which is

Income and/or General fund, plus a portfolio of shares and Fidelity Growth, which is invested in the Fidelity Special Sharelink unit trust, with shares on top. Best PEP Selections (071-336-2037) offer a 1 per cent discount on these PEPs to its clients.

Comprehensive guide

to PEPs are also available at Chase de Vere (071-404-5766) and from the A-Z of PEPs (£1.50 from W H Smith).

Best PEP Selections picks out two PEPs - Newton



Corporate PEPs

A NUMBER of PEPs are based on the shares of an individual company - where a full £5,000 can be invested. From January 1992, there will be a new type of corporate PEP in which holders can invest £3,000, on top of their normal PEP allowance.

Many companies see corporate PEPs as a way of widening their shareholder base and as a service to their small share-

holders. In addition, corporate

PEPs are useful aids to profit sharing and employee share ownership schemes. In April, the Weekend FT listed some 38 single companies with their own PEPs. Most have no initial charge, and dealing and annual charges are under 1 per cent. So if you do want to plump for a single share, this could be the cheapest route. However, picking an individual share is obviously highly risky.

The two leading managers in the field are CO&P Trustees (071-249-8998) and Bradford & Bingley (0274-555555).

Share issues

ONE recently exploited wrinkle in the PEP rules is the ability to transfer a £3,000 allocation of a new issue into a PEP. Many investors buying investment trusts have used this loophole: the only way to get the full £5,000 into an investment trust. Split capital trusts are popular within PEPs, particularly for older investors attracted by the double-digit yields on some income shares.

The question of rights issues and the later instalments on privatised shares is rather more complex. You can only exercise your rights, or pay subsequent instalments if your PEP plan for the year is sufficiently far below £5,000.

If you have invested the full amount, you will be obliged to sell shares in the appropriate PEP to create room to meet the new payment. This will also be necessary if the rights issue, or second instalment, occurs in a year when you have already opened a PEP plan.

Fixed rate mortgage offers: Page V.

Home loans rate is trimmed

David Barchard sees mortgage lenders battle for the initiative

HALIFAX BUILDING Society, the flagship of the UK mortgage industry, yesterday cut its base mortgage rate from 12.45 per cent to 11.95 per cent.

This is the society's lowest rate for three years. It will certainly be followed in the next few days by other lenders. If you are an existing borrower, in most cases you ought to be able to look forward to a cut in your monthly payment from August.

Compared with mortgages above £50,000 will now pay interest at 11.15 per cent, down by 0.8 per cent. On mortgages above £100,000 the rate is 10.95 per cent, a cut of 0.8 per cent.

Nationwide and Leeds Permanent have already followed Halifax down to

11.95 per cent for their standard mortgage interest rate.

Abbey National and the rest of the industry is poised to follow. It already looks as if the prevailing interest rate on the money market will be around 11.8 to 11.95 per cent.

Barclays has led the banks by cutting its mortgage interest rate to 11.95 per cent (APR 12.7 per cent) from 12.45 per cent (APR 13.2 per cent). Halifax's new rate means modest relief for most people. There will be a

reduction of about £17.70 on a £50,000 endowment mortgage, and £15.35 less on a repayment mortgage. On a £100,000 the reduction will be £35.40 for endowment mortgages and £38.87 for repayment mortgages.

This will help homebuyers, but it will probably not lead to a dramatic revival in the UK housing market, at least in the short term.

"I genuinely believe that we are in a very cautious period where fear of unemployment is the main moti-

vation for most people and the market will take a period to recover," says Ian Darby, marketing director of John Charcol, the mortgage broker.

This is a good time to enter the market if you are a first time buyer. Not only are there far more properties around than there are buyers, but several good discount mortgage offers are available. Halifax gives a 1.5 per cent discount for a year from completion is 10.45 per cent (APR 12.7 per cent) and a 3 per cent discount for a

year for loans of more than £80,000 - 9.95 per cent (APR 12.6 per cent). One of the interesting features of the present situation is that building societies and banks still look a much better bet for most people than the centralised lenders, such as National Homeloans or the Mortgage Corporation, which entered the market in the late 1980s and undercut them so effectively in 1987 and 1988, the last time rates were low.

The centralised lenders appear to be trailing the market when it comes to making cuts. Building societies can now offer the same spread of specialised mortgages and have the benefits of a branch network for their customers as well.

Fixed rate mortgage offers: Page V.

You should

Whether you are contemplating moving abroad or are congratulating yourself for having done so, there is one magazine dedicated to you and your needs.

It's called Resident Abroad, and from Calais to Calcutta it is acknowledged as the authoritative guide for British expatriates.

take it

As you'd expect from a Financial Times publication, ABC Guide to Investment - from

Accumulation Units to Zero Coupon Bonds - is both innovative and incisive. We also back up our in-depth analyses with comprehensive Offshore Fund performance statistics, which give you

a monthly picture of how the funds are performing.

But it's not all stocks and shares.

wherever

International travel features and gourmet tips from around the world will help broaden your horizons still further. Special reports on schools and motoring will inform and entertain and our UK news and property pages will keep you in touch with everything at home. In short, Resident Abroad has all the tips, news and views that help you make the most out of living abroad.

you go

To find out for yourself how Resident Abroad really is the complete guide to life overseas, simply fill in the coupon below and send it to the address shown. To make things even more interesting, we will send you the next 2 issues of Resident Abroad free of charge, as part of a trial subscription.

RESIDENT ABROAD - THE FINANCIAL TIMES MAGAZINE FOR EXPATRIATES

Return to: Resident Abroad, Subscriptions Dept., Central House, 27 Park Street, Croydon CR0 1YD, UK.

☐ YES Please send me a trial subscription to Resident Abroad. I understand that I will receive 14 issues - the first two will be free. I am free to cancel anytime and receive a refund for the unexpired portion of my subscription.

One year subscription

UK £36.00

Europe £42.00

North Africa and Middle East

As quoted £48.00

Annual £55.00

Rest of World

As quoted £51.00

Annual £67.00

Payment must accompany order. Cheques payable to FT Business Information Ltd.

☐ Area ☐ Dates ☐ Visa ☐ Access

Card Number

Expiry Date

BLOCK CAPITALS PLEASE

Mr/Ms/Mrs

Company/Private Address

Country

Postcode

Signature

Date

018-100

There is a limited amount of exhibition space available at this conference

FT

FINANCIAL TIMES CONFERENCES

WORLD MOBILE COMMUNICATIONS

LONDON

31 October & 1 November, 1991

The Financial Times '91 conference on mobile communications will examine the market, technological and regulatory issues. Should competition be allowed in mobile communications? What is the best way of allocating the scarce radio spectrum? Will new mobile networks come to challenge the fixed network or follow Sweden's plans to turn its fixed network into a mobile one?

These questions will be examined by an international panel of speakers including:

Mr John Redwood MP
Minister of State for Corporate Affairs

Mr Chris Gent
Racal-Vodafone Limited

Mr Richard J Callahan
US WEST, Inc

Mr Peter Mihatsch
Mannesmann Mobilfunk GmbH

Mr Colin Buckingham
Ericsson Business Mobile

Mr David K Bartram
Motorola

M. Jean-Louis Blanc
Commission of the European Communities

Mr J Shelby Bryan
Mitsubishi Incorporated

Mr Nobusuke Kanda
DDI Corporation

Mr Richard Goswell
Mercury Personal Communications Network Limited

Mr Robert Calafell
GTE Airfone Inc

Mr Bob Phillips
INMARSAT

A FINANCIAL TIMES CONFERENCE
in association with

FinTech - MOBILE COMMUNICATIONS

WORLD MOBILE COMMUNICATIONS

Please send me on:
☐ World Mobile Communications Conference
☐ Exhibiting at the conference
☐ FinTech - Mobile Communications Newsletter

FT A FINANCIAL TIMES INTERNATIONAL CONFERENCE

Financial Times Conference Organisation
126 Jermyn Street, London SW1Y 4JL
Tel: 071-925 2323. Tlx: 27347 FTCONF G. Fax: 071-925 2125

Name

Position

Company/Organisation

Address

Post Code

Tel

Tlx

Fax

Type of Business

HA

Philip Coggan offers advice and help for BCCI depositors and customers

DEPOSITORS and customers of BCCI are understandably worried about the financial position after the bank's worldwide closure by regulatory authorities.

Here is a guide to the position of depositors, borrowers and credit card users:

The deposit protection scheme
Your deposits will be covered by the scheme only if they are sterling and have a term of less than five years. It excludes deposits not covered, nor are holdings in other currencies.

Only 75 per cent of a deposit of up to £20,000 is covered, which means that the maximum compensation is £15,000. The scheme is based on the address of the bank, not the depositor, so that people who live overseas, but have an account in the UK, are entitled to claim.

Senior executives and bank
The scheme does not cover

claim but it is not how far up the management chain you have to be before you are judged to be "senior".

If you have a claim, all you have to wait. The Deposit Protection Board will contact you and the account holders and will write to them at their given address and ask them to claim. This will probably happen when the bank is formally wound up, although it may be slightly before that in an attempt to speed the process.

It may be some time before you get your money from the scheme but it is likely in a matter of months, rather than years.

If you have not paid, the Deposit Protection Fund will stand in your place as a creditor and will receive the first £1 in every pound of your money that the liquidator can

However, if you have a larger deposit than £20,000, you will still have a claim on that

claim but it is not how far up the management chain you have to go before you are judged to be "senior."

If you have a claim, all you have to wait. The Deposit Protection Board will contact you as an account holder and will write to you at their given address and ask them to claim. This will probably happen when the bank is formally wound up, although it may slightly speed the attempt to

It may be some time before you get your money from the scheme but it is likely to be months, rather than years, before the money is paid.

The Deposit Protection Fund will stand in your place as creditor and will receive the first £100,000 pound of your money that the liquidator can pay out.

However, if you have a larger deposit than £20,000, you will still have a claim on that

part not covered by the Deposit Protection Scheme.

Dealings with the bank

If you had an account with the bank, and your salary is normally paid into it, ask your bank to open a new account for you. You should ask for the money to be paid into the new account, if you can. The bank should be sympathetic to BCCI account holders who want to open a new account, and the liquidators will not on credit records. You will need to produce evidence of your BCCI account.

If you have a mortgage with the bank, you should continue to make payments in the normal way, until you are told that the mortgage will be sold to another bank, in which case you may face a change in your terms and conditions.

If you have Visa travellers cheques from the company, the company has said that it will honour them. However, if you have a problem with a trader,

call the **WUSA** helpline on 071-937-8151.

Traders

Perhaps those in the most difficult position are small business owners which are unable to pay their bills because the BCCI account is frozen. Some companies may have to go into receivership as a result of this. However, another bank might be prepared to lend you money, if you can prove you are a cash asset.

If you have a BCCI cheque before the bank your position will be whether it cleared the bank or not. On July 5, the bank will have cleared the cheque but if it has not, although we have been told that other banks have been debiting cheques which were believed to have cleared.

If you accepted a credit card as payment before Friday, July 5, you should get your money. Transactions which occurred before BCCI was closed on Friday

day are being accepted. You should not now accept a BCCI card as payment; your bank will not authorise it.

Credit cards

You cannot use your BCCI card at an Automated Teller Machine, but have been programmed to gobble them up and traders have been given instructions to retain them.

However, that does not mean you can get away without paying. If you do not, you will be pursued by your creditor and you may get a black mark on your credit rating.

If you have already received a bill, pay the normal address. New bills should still come to the address to whom, to pay. You should not be charged extra interest if your statement is delayed.

You cannot automatically transfer your card to a new issuer. You will have to reapply to another company.

Offshore accounts

There are many overseas firms

of BCCI, so it is impossible to cover them all. However, the Isle of Man has its own compensation scheme, which is roughly similar to the UK system. In Luxembourg, there is a deposit protection scheme with a limit of £150,000 or about 100 million francs. In Pakistan, I am still paying depositors, but it is not worth flying there to get your money, unless your bank has a branch in that country.

Helplines

If you have further problems, call Touche Ross on 01-496 7766, the Bank of England on 0171-601-0100 or Visa helpline on 017-937-8151.

Various firms of accountants and lawyers have been asked to help. Among them are Levy Gee, accountants 017-367-4474, and solicitors 017-242-9575; Richard Butler 017-247-6555; Alexander Tatham 061-236-4444.

THE COLLAPSE of the Bank of Credit & Commerce International should remind all investors that the security of bank deposits ~~must~~ be taken for granted.

All institutions seeking investments ~~have~~ have some form of regulatory ~~control~~ had at least this can only reduce rather than remove the risk of failure.


Depositors' protection schemes offer only limited protection. For loans it is 75 per cent of £250,000; for bank deposits 90 per cent of the first £20,000. Now that individual investments of more than £100,000 are becoming common these limits, which were set at a time when when £20,000 was still a large deposit, are beginning to look inadequate. Not that long ago building societies were ~~not~~ allowed to accept investments of more than £50,000 from each individual.

The correct answer might be to limit each investment to

However, the best rates are normally only available on larger amounts, this might mean sacrificing income. Investors wishing to put all or at least a large proportion of their **money** in this basket, should be aware of the record of particular categories of **shares** and **trusts** in the past when **the** members get into difficulties.

To take individual examples, no one can believe that in the unlikely event of one of the High Street banks going into liquidation, the Bank of England will allow it to fail. However, the Bank of England's attitude to smaller banks is very different. Five banks have been allowed to go into administration in the last year alone British & Commonwealth Merchant Bank, Anglo, Clarendon, Edington and Winkley Smith, and

The building societies movement, on the other hand, is a way of ensuring that no depositor loses money. The Grays building society, for example, in 1982, when the price went in



According to Susan Anderson, of the Building Trades Association, no building society depositor has lost money through the failure of a society, "certainly since the 19th century, and probably not since the 18th century." This is a remarkable record.

While insurance companies do fail (one only a couple of months ago) they are in a completely different position than their Policy Holders. Protection and Pays off 99 per cent of outstanding claims without limit.

The Local Co-operative movement has the same attitude to collective responsibility as the building Local Authority.

Bonds are issued by the authority

John Woods is editor of *the morning paper* and *the morning paper*.

Scheherazade Daneshkhu on a question of equality

THE ISSUE of equality and pensions has focused on equal pension ages for men and women. But any woman facing divorce should realise that separation can devastate a marriage as much as it can a marriage.

A study by the Centre for Economic Policy Research, funded by Joseph Rowntree Foundation, "shows that the proportion of divorced women who are dependent is increasing rapidly.

The authors, Heather Joshi and Hugh Davies, estimate that by 2025 13 per cent of divorced women will be over 60 compared with only 3 per cent in 1980.

Many of these women will have to rely on the state pension and Joshi and Davies say: "The divorce boom of the 1970s and 1980s may be creating a new source of pensioner poverty in the future."

Under current trust law, if a man is in a private or company pension scheme, his wife loses all rights to his pension once they are divorced. The situation is the same under the new State Related Pension Scheme, SERPS.

Under the basic state pension, the husband's contribution made during the marriage counts towards the estranged wife's pension. However, the basic state pension (currently £10.40 a week) is not enough to cover the pensioner's means-tested assistance. The state ceases if the divorced wife remarries. She has no claim to a state pension on the death of her ex-husband, even if he was still supporting her financially at the time of his death.

Pension benefits, particularly those provided by a company scheme, are usually the most valuable asset in a family after the house. Yet, unlike the house, they cannot be assigned to anyone and are not a joint asset.

For a woman to be a member for a pension, there has been a push for splitting pensions on divorce, first notably by Michael Meacher, Labour's spokesman on social security, last year.

Joshi and Davies point out that even if legislation were introduced to split the pension on divorce (as in Germany and California), the state of the divorced woman's pension will still not be a fraction of the former husband's. This will only go some way to mitigating hardship in the divorced woman's old age.

There are two main reasons for the discrepancy in income between earnings and pension-splitting.

Time taken out of work to bring up children takes a heavy toll on a woman's pension.

Joshi and Davies estimate that the opportunity cost, or foregone earnings, of having children is the equivalent of the earnings of a childless woman, within the low middle income range.

Second, even though the majority of women work, they tend to earn less than men. Still-earning women are about 10 per cent of their similarly high-earning counterparts. At the low-income level, the discrepancy is even greater. Women here tend to earn only 60 per cent of men.

According to the report, the authors conclude that pension-splitting will not necessarily help the hard-up of the future.

The new pension entitlements for women and wife's protected most

THE BEST RATES FOR YOUR MONEY						
	Account	Telephone	Notice/ Term	Minimum Deposit	Rate %	Int. paid
INVESTMENT FUNDS and BONDS (Gross)						
Cheltenham & Gloucester	SuperSaver	0273 471871	Instant	£1	11.50%	Yly
Trust Bank	London Index	0452 100000	Instant	£1	11.50%	Yly
Cheltenham & Gloucester	2 mth Int BS	071 829 0878	Instant	£2,001	11.50%	Yly
BS	Special 85	371371	85 Day	£10,000	11.50%	Mly
BS	90 Day Int	0372 100000	90 Day	£10,000	11.50%	Mly
Lambeth BS	2 Yr Term	071 328 1001	2 Year	£500	10.00%	Yly
Bradford & Bingley	Maximiser	0274	1 Year	£1,000	10.00%	Yly
TESSAs (Tax Free)						
National BS		0372 100000	5 Year	£100	10.00%	Yly
Holbeck BS		0532 469511	5 Year	£1	14.00%	Yly
Bromwich BS		021 325 1239	5 Year	£150	14.00%	Yly
Lambeth BS		071 328 1001	5 Year	£20	14.00%	Yly
HIGH INTEREST CHEQUE A/Cs (Gross)						
Bank	High Int BS A/C	011 556 8235	Instant	£1	11.00%	Yly
Bank	High Int BS A/C	021 778 2021	Instant	£500	11.50%	Yly
BS	Current Plus	0242 671871	Instant	£2,000	11.50%	Yly
BS	Current A/C	091 285 7191	Instant	£10,000	11.50%	Mly
OFFSHORE ACCOUNTS (Gross)						
Permanent Interest Ltd	Overseas	0624 626266	Instant	£50,000	12.20%	Yly
G & G Commercial Ltd	Overseas Gold	0800 111111	Instant	£50,000	12.00%	Yly
Bradford & Bingley	Maximiser	0452 100000	50 Day	£50,000	11.50%	Yly
Yorkshire BS Guernsey	Matching Key Extra	0481 100000	Day	£50,000	13.00%	Yly
G & G Commercial Ltd	Guernsey Bond	0800 717605	12 Mth	£50,000	12.00%	Mly
GUARANTEED INCOME RETURNS (Gross)						
Life FN		081 500 1000	1 Year	£50,000	9.25%	Yly
Financial Assurance		0800 111111	2 Year	£5,000	9.20%	Yly
Prosperity Financial FN		0800 521546	3 Year	£2,000	9.00%	Yly
Life FN		081 6843	4 Year	£2,000	9.30%	Yly
Neta		0800 010 575	5 Year	£25,000	9.00%	Yly
FIXED RATE SAVINGS A/Cs & BONDS (Gross)						
	Investment A/C		1 Month	£1,000	11.50%	Yly

	Income	5 Year	\$2,000 11.75%	MY
Capital Bonds			\$100 11.75%	MY
MAT SAVINGS CERTIFICATES (Tax Free)				
36th	5 Year	\$26 6.50% F	OM	
5th Index Linked	5 Year	\$26 4.50% F	OM	
		+ 1.11%		
Childrens Bond	5 Year	\$21 11.64%	OM	

All rates (except Guaranteed Income Bonds) are shown Gross.
 Gross Equivalent Rate, Fixed-Fixed Rate (All Bonds) are variable. Interest paid on maturity, N - Not Rate, B - Bond.
 OM - Other Money, MY - Money, N - Not Rate, B - Bond.

IN MONDAY Tomkins, the multi-conglomerate with interests ranging from lawnmowers to hand saws, is likely to report pre-tax profits for the year to May of \$109m (\$77.1m) with 26.7% of earnings and a 9.5p dividend, according to James Capel. Earnings will have been helped by eight companies controlled by the Phillips Industries, the UK industrial group, and a 27m jump in net interest.

Pre-tax profit is expected to fall by a third to just over \$8m at Triplex Lloyd, the Midlands engineering group, which will also report a 10.5p dividend on March 31 on Tuesday. The announcement has been put back a day because of the funeral of Jim Doel, the late chairman, who died of a heart attack last week.

The profit shortfall, according to £12.2m pre-tax in 1989-90, will be the result of a steel casting business, a smaller property contribution and Triplex's exposure to the building and construction-related markets.

Ellis & Everard, the UK's biggest chemicals distributor and one of the largest in the US, says results for the year to end-April on Monday will show earnings downgraded from £1.2m to £1.1m because of the recession on both sides of the Atlantic, analysts now expect pre-tax profits to come out at £1.75m. Largely thanks to acquisitions, that will be still up on £1.6m in the previous year.

Among other companies reporting in a quiet week, Bulmer, the cider maker, announces results on Wednesday and Staley Plastics, the operator betting shops, clubs and clubs, on Thursday.

PROPERTY shares have endured a long period of underperformance, but the larger property investment companies have escaped the financial crisis. This week, however, the directors of Hammerbrook have been using cash, one from the ordinary stock and the other from limited voting shares.			
A series of downgraded profits in the last year have expected costs provide a cheer for the rugged UK construction industry. Shipbuilder Vosper Thornycroft has long maintained it will be severely affected than most in the sector, but a four of 1.35m shares.			
The Ashcroft, chairman of Bermuda-based, bought 2.5m ADP's, equivalent to 20% ordinary shares in 613p. Earlier this year ADT was in a very public dispute with a Canadian 28 per stakeholder, Laidlaw, but this has since been resolved. Ashcroft 1.1m shares in Laidlaw in August retaining a repurchase option over 10% shares and a number of directors at or near the top of £21 a share.			
The television industry is in a state of uncertainty as bids are considered for the new franchises, which had an impact on profits of service-related companies like Arco. The chairman and two of his colleagues have purchased a total of 800,000 shares.			
The recent announcement of final results.			
Angus Macdonald, Directors Ltd			

[illegible]

Company	Half-year to	Pre-tax profit (2000)	Interim dividends* per share (p)
Barr (AG)	Apr	1,170	1,082 (1,068)
BWD Securities	May	1,380	(879)
City Sites Estates	Mar	1,890	(76)
Clydebank	May	3,510	(8,570)
Clarke Foods	Apr	354	(703)
Dominio Printing	Apr	8,430	9,050
Keweenaw & Sons	May	3,230	(3,270)
Leslie Wine	May	1,330	(2,140)
Low & Bonar	May	11,300	(12,300)
Mercantury	May	2,730	(2,390)
M&G Dist Trust	Jun	1,760	(1,690)
M & W	Apr	814	(940)
Reck Organisation	May	89,000	(197,400)
Torval	Apr	228 L	(268)
Wherry	Mar	1,870	(3,510)

*Dividends are for the corresponding period

RIGHTS ISSUES

Alan Ford is to raise £3.5m via a 1-for-3 rights issue at 80p.
British Fridges is to raise £2.15m via a one-for-four rights issue at 140p.
City of Oxford Investment Trust is to raise £10m via a 1-for-2 rights issue.
Dell & Bowles is to raise £1.36 via a 1-for-5 rights issue at 80p.
JMI Group is to raise £7.4m via a 1-for-2 rights issue at 67p.
Northdown Group is to raise £35m via a 5-for-1 rights issue at 25p.
Whorsey is to raise £16.5m via a one-for-one rights issue at 25p.

OFFERS FOR SALE, PLACINGS & INTRODUCTIONS
Gartmore Scotland Investment Trust is to raise £48.4m via a placing and offer for subscription on the main market.
Lowndes Lambert is valued at £57.7m following its main market float.

RESULTS DUE

Company	Announcement date	Dividend (¢)		
		Last year		This year
		Int.	Final	Int.
FISCAL DIVIDENDS				
Bethlehem	Tuesday			
Brins Group	Tuesday	0.25	3.80	
Black Arrow Group	Friday	1.00	3.20	0.60
Brumley	Thursday		0.54	0.24
British Broadcasting Agency	Thursday	2.5	8.5	
Sea Resources (Holdings)	Monday			
Carter (H&P) Holdings	Wednesday	2.75	4.77	
Clifton (Holdings)	Thursday	0.88		0.75
GIT Group	Monday			
Daleport Foods	Monday	1.03	2.96	1.40
Elms	Friday	0.00	0.45	0.18
Electron House	Tuesday	2.75		0.20
Ellis & Seward	Monday	2.20	4.00	2.28
Franklin & Lewis Inc., Trust	Friday			
First Special Invest Trst	Friday		0.86	
Goodie Group	Tuesday	2.15	8.40	2.16
Graham Rural Ind. Yr.	Thursday	0.50	1.50	0.50
Hampton Industries	Monday	0.80	2.00	0.80
Harston Holdings	Tuesday	0.08	1.35	0.85
Newton	Wednesday	1.80	2.80	1.80
James Street	Thursday	3.00	6.00	3.00
Kings (Leopold) Holdings	Thursday	3.10	12.75	3.10
Kitty Linn Group	Friday	0.576		0.38
McGeorge Investment Trst	Wednesday	3.75	7.00	3.70
Muthons Electronics	Tuesday		1.00	0.75
Nobo Group	Tuesday	2.42	4.18	2.43
Peel Holdings	Monday	2.00	7.00	1.80
Standard Platforms Holdings	Tuesday			
Stanley Leisure Organisation	Thursday	2.00	4.00	1.80
Tennant	Monday	2.50	3.50	2.50
Triplett Lloyd	Tuesday	2.50	4.50	2.80
Trypan Holdings	Monday	2.5	3.0	
Trusts (Irish) Co.	Monday	2.00	3.00	

Automated Security	Monday	1.80	3.10	-
Campden International	Wednesday	2.8	8.8	-
Cesca Cairn Inc Trust	Friday	-	-	-
Central-Citywide Inc Trust	Monday	-	-	-
Croyden Far Eastern Trust	Thursday	0.12	0.47	-
EFM Data General	Wednesday	-	-	1.0
Equity Financial International	Wednesday	2.00	4.00	-
General Consolidated Inc Trst	Wednesday	4.30	8.11	-
Greenwater Development Capital	Friday	-	-	-
Imperial Sound	Monday	-	-	0.78
Microgen Holdings	Wednesday	2.80	4.80	-
ML Laboratories	Wednesday	-	-	-
North American Inc 20	Wednesday	0.86	0.98	1.00
Selective Asset Trust	Friday	-	-	-
Shopte Group	Monday	-	-	2.20
USAC Investment Company	Thursday	2.25	3.20	-

COMPANY NEWS SUMMARY						
TAKE-OVER BIDS AND MERGERS						
Company bid for	Value of bid per share*	Market price**	Price before bid	Value of bid \$m***	Bidder	
Prices in pence unless otherwise indicated						
API	113	105	87	24.43	NAC	
Bulfinch Cox	245 ¹	243	131	14.93	SCC	
Davy Corp	■	82	62	114.02	Transtel House	
Elm	180 ¹	181	180	87.2	Oscar Inv. Corp	
Evans	130 ¹	125	104	4.30	Newlyn	
Goring Kerr	211	198	185	7.50 ¹	Creston	
Gordon	205 ¹	198	198	1 ■	Electron	
Kingspan	28 ¹	31	29	8.45	Maitland 374	
Kingspan	314 ¹	31	29	8.45	Maitland	
Macarthy	230	232	185	23.90	Camplin Hgts.	
Macarthy	2485 ¹	232	232	68.00	Uni-Comm	
Magnetic	54 ¹	57	■	9.50	TT Group	
Mayfield	105	105	98	■	Cooper ■	
Radio City 1	355 ¹	354	285	10.01	EMAP	
SD-Sidcom	45 ¹	45	41	90.87	■	
Synapse Comp.	105 ¹	101	101	5.83	■	
TACE	240	258	203	■	Cambridge 1 bid	
TACE	■	258	230	24.81	■	
TACE	255 ¹	258	230	24.90	Thermo Electron	
TAC Adv. Inc.	325 ¹	325	247	23.90	Anglo Grp.	
Thornhill	42.65 ¹	41	■	6.54	Haywood Williams	
Tottenham Holmar	75 ¹	911	511	7.94	Vanabro/Sugar	

* All cash except TACash alternative. ** Capital not already held. *** Conditional. * Based on 2.30p prices 12/7/81. † At suspension. ‡ 55p share. Cash & 40p for 48.4p. § 35p now + 45p if conversion of Ocean Eastern Hgts bid to all platform or completed.

**INTERNATIONAL PROPERTY
ADVERTISING**
Appears every Saturday in
the Weekend Edition
For more information call
Lourdez Bellis
on
071-874-1800

1 JULY 13 JULY 14 JULY 15 JULY 16 JULY 17 JULY 18 JULY 19 JULY 20 JULY 21 JULY 22 JULY 23 JULY 24 JULY 25 JULY 26 JULY 27 JULY 28 JULY 29 JULY 30 JULY 31 JULY 1 AUGUST 2 AUGUST 3 AUGUST 4 AUGUST 5 AUGUST 6 AUGUST 7 AUGUST 8 AUGUST 9 AUGUST 10 AUGUST 11 AUGUST 12 AUGUST 13 AUGUST 14 AUGUST 15 AUGUST 16 AUGUST 17 AUGUST 18 AUGUST 19 AUGUST 20 AUGUST 21 AUGUST 22 AUGUST 23 AUGUST 24 AUGUST 25 AUGUST 26 AUGUST 27 AUGUST 28 AUGUST 29 AUGUST 30 AUGUST 31 SEPTEMBER 1 SEPTEMBER 2 SEPTEMBER 3 SEPTEMBER 4 SEPTEMBER 5 SEPTEMBER 6 SEPTEMBER 7 SEPTEMBER 8 SEPTEMBER 9 SEPTEMBER 10 SEPTEMBER 11 SEPTEMBER 12 SEPTEMBER 13 SEPTEMBER 14 SEPTEMBER 15 SEPTEMBER 16 SEPTEMBER 17 SEPTEMBER 18 SEPTEMBER 19 SEPTEMBER 20 SEPTEMBER 21 SEPTEMBER 22 SEPTEMBER 23 SEPTEMBER 24 SEPTEMBER 25 SEPTEMBER 26 SEPTEMBER 27 SEPTEMBER 28 SEPTEMBER 29 SEPTEMBER 30 SEPTEMBER 31 OCTOBER 1 OCTOBER 2 OCTOBER 3 OCTOBER 4 OCTOBER 5 OCTOBER 6 OCTOBER 7 OCTOBER 8 OCTOBER 9 OCTOBER 10 OCTOBER 11 OCTOBER 12 OCTOBER 13 OCTOBER 14 OCTOBER 15 OCTOBER 16 OCTOBER 17 OCTOBER 18 OCTOBER 19 OCTOBER 20 OCTOBER 21 OCTOBER 22 OCTOBER 23 OCTOBER 24 OCTOBER 25 OCTOBER 26 OCTOBER 27 OCTOBER 28 OCTOBER 29 OCTOBER 30 OCTOBER 31 NOVEMBER 1 NOVEMBER 2 NOVEMBER 3 NOVEMBER 4 NOVEMBER 5 NOVEMBER 6 NOVEMBER 7 NOVEMBER 8 NOVEMBER 9 NOVEMBER 10 NOVEMBER 11 NOVEMBER 12 NOVEMBER 13 NOVEMBER 14 NOVEMBER 15 NOVEMBER 16 NOVEMBER 17 NOVEMBER 18 NOVEMBER 19 NOVEMBER 20 NOVEMBER 21 NOVEMBER 22 NOVEMBER 23 NOVEMBER 24 NOVEMBER 25 NOVEMBER 26 NOVEMBER 27 NOVEMBER 28 NOVEMBER 29 NOVEMBER 30 NOVEMBER 31 DECEMBER 1 DECEMBER 2 DECEMBER 3 DECEMBER 4 DECEMBER 5 DECEMBER 6 DECEMBER 7 DECEMBER 8 DECEMBER 9 DECEMBER 10 DECEMBER 11 DECEMBER 12 DECEMBER 13 DECEMBER 14 DECEMBER 15 DECEMBER 16 DECEMBER 17 DECEMBER 18 DECEMBER 19 DECEMBER 20 DECEMBER 21 DECEMBER 22 DECEMBER 23 DECEMBER 24 DECEMBER 25 DECEMBER 26 DECEMBER 27 DECEMBER 28 DECEMBER 29 DECEMBER 30 DECEMBER 31

هنا من العمل

FINANCE AND THE FAMILY

Windfalls

Make the most of a lump sum

Philip Coggan introduces a series which aims to map out strategies for investing one-off payments

MANY PEOPLE come into a lump sum at some time. It might be an inheritance, a maturing life insurance policy, a premium bond win, or a redundancy cheque. The temptation will be to spend it, or to pay off debts. But if you have a lump sum, what are the best ways for saving and investing a lump sum? Coming into a lump sum is a good thing to make a plan for. It is a sort of sum which, if handled wisely, could help provide for your future. It is a lump sum which, if handled wisely, could help provide for your future. It is a lump sum which, if handled wisely, could help provide for your future.



free. The remaining £1,000 would have to be invested in a separate trust since the annual PEP limit for trusts is £1,000. Those who desire steady growth might consider the dividend shares of investment trusts, according to the Kingston, a director of Hargreaves Lansdown. These will be paid back at a substantial premium to their value when the trust is wound up. Kingston likes the zeros of TR Technology, which currently offer a yield of 10 per cent a year. In the unit trust field, he favours the UK Income sector and says "The time to be investing is when there is doom and gloom all round."

Mortgage offers flood in

LENDERS ARE continuing to produce new kinds of mortgage offers in an effort to help the housing market and attract new borrowers. A number of fixed and capped mortgages have been launched, with rates drifting towards 10 per cent, an attractive rate compared with the average of the 1980s. However, eager borrowers find some offers carry terms and conditions such as new pensions or endowment policy, a substantial redemption penalty. Borrowers need to read their sums carefully. Bank of Ireland is offering a mortgage capped at 10.15 per cent until September 1992. There is an arrangement fee of £250 for the capped offer. A redemption penalty of three months interest applies to the fixed, but not to the capped offer. National Westminster Bank has a fixed rate mortgage of 10.75 per cent, fixed until September 1992, and 10.65 per cent capped until September 1992. There is an arrangement fee of £250 for the fixed and £125 for the capped offer. A redemption penalty of three months interest applies to the fixed, but not to the capped offer. National Westminster Bank has a fixed rate mortgage of 10.75 per cent, fixed until September 1992, and 10.65 per cent capped until September 1992. There is an arrangement fee of £250 for the fixed and £125 for the capped offer. A redemption penalty of three months interest applies to the fixed, but not to the capped offer.

MISDOINGS

When I explained to him the nature of the deal he tried to get his money back, but merely incurred £138.53 in lawyer's fees to be told that the Consumer Credit Act 1974 did not apply because he had entered the shop of his own free will.

Beware the costs of the timeshare trap

Look before you leap, warns Dryden Gilling-Smith



When I explained to him the nature of the deal he tried to get his money back, but merely incurred £138.53 in lawyer's fees to be told that the Consumer Credit Act 1974 did not apply because he had entered the shop of his own free will. Timeshare investments have been portrayed as property ownership. The right to occupy two or three rooms in a given period each year is a financial return, but to say ownership of a villa in which one can be the one chooses. Some might compare it to the concept of ownership in the public ownership of, say, British Rail or the British Coal mines - but this is unlikely to be much more than a timeshare investors who have lost more than their money.

being were promoting at a seminar in Letchworth, Herts. I was quoted as saying that a two-bedroom apartment in Letchworth, Herts, was being sold for £250,000. The sum of £250,000. Assume more realistically that the promoters are able only to sell 26 weeks. This will produce an aggregate notional value of £195,000, which is totally out of line with the price which such a property would fetch if sold as an apartment at today's prices. Imagine if the timeshare bubble bursts and the promoters go bust, so that unit holders' action committees are forced to salvage what they can by selling the units as individual apartments. How much would you get? Taking an optimistic view that a unit in the right area might realise £50,000, an investor who had paid £250,000 for a unit would be lucky to get back £95,000, less the share of costs, being one-third of £50,000, or £16,667. The net loss would be £138,333. There is a simple remedy. If the units were to be sold as investments, regulation would be simple. The Financial Services Act gives the secretary of state power to regulate investments for the purposes of all or any of the provisions of this Act. No new primary legislation is required. A regulation specifying timeshare units as investments, and so on as an investment activity regulated by the Act, so that promoters would have to register as members of the Financial Services Commission.

INSURANCE

companies and brokers have been successful in using the spectre of increased costs to scare directors into switching from a pension scheme based on final salary to a money purchase scheme. But some of their generalised and oversimplified statements may be wide of the mark - and could be damaging if applied without careful checking. Directors of small businesses should take independent advice before committing themselves to a switch on a pension scheme. The arguments for switching are based on the prospect of the equalisation of pension ages for men and women, following the European judgment in the Barber v. Guardian and from the eventual introduction of limited indexation under the Pension Security Act 1990. These changes might have substantial implications for final salary schemes, where the employer's costs are tied to a proportion of salary. Money purchase schemes, in contrast, pay out only on the basis of the investment performance.

Pension scare tactics

Directors should beware, warns Barbara Ellis

At the National Association of Pension Funds conference in May, actuary Martin Slack, of actuaries Lumsden & Peacock, showed that in the worst case, actuaries could be by between 50 and 70 per cent. However, he noted that the increase would only be necessary if the basis of the scheme allowed no safety margins. Actuaries have ignored the qualifications hedging Slack's and other estimates and have pushed the money purchase route. The amount of contribution payable on the switch runs into tens of thousands of pounds and some companies are particularly at risk who they enlist to take advantage of the present opportunities. A pensions specialist attended one of a series of seminars in different parts of the country by a Scottish insurance company found that he was in a minority. Most of the audience consisted of general insurance brokers, more used to selling car and household policies than to pension schemes. Many of the estimates of cost increases for final salary pension schemes are "scaremongering", according to Ian Cartwright, an actuary based in Godalming. "The actual contribution rate required is not decided by the actuary in the scheme," he said, "in many cases, if actuarial advice is taken, the increase in cost may be much smaller than the possible increase quoted in general terms, may be zero, or might actually reduce." He added that the conservative attitude of actuaries, many schemes

ONE OF THE GREATEST DESIGNS OF THE 20TH CENTURY

Twenty years ago, Audemars Piguet created a watch so unique that it has been admired and envied the world over: the Royal Oak, the first truly luxury sports watch.

Royal Oak
by
Audemars Piguet

Audemars Piguet & Cie S.A., 13-18 Le Brassus, Switzerland

Good news if you're retired.

If most of your money is in the building society, falling interest rates may only mean a drop in your standard of living. As Britain's largest retirement income specialists, this is a problem we have been addressing for many years on behalf of our clients. We know that in the long run, only a sensible mix of fixed interest and stockmarket investments can deliver the rising income needed for a comfortable retirement. To find out how Knight Williams can help you, simply complete the coupon and post it to Knight Williams and Company Limited, 161 New Bond Street, London W1Y 0LA or telephone us on 071 408 1138.

Knight Williams
Britain's Largest Retirement Income Specialists

To: Knight Williams & Company Limited, 161 New Bond Street, London W1Y 0LA. Please send the details of Knight Williams service to private clients and a copy of 'Self-Defence in Retirement'.

Name: _____
Address: _____
I am retired / I plan to retire in _____ months. FT117

DOWN A string of small Somerset country lanes, with the Blackdown Hills as a backdrop, is a farm beginning to prove that even in agriculture today small can be beautiful.

Snouts in the trough: Bill Reynolds with the pigs he raised in the West Country

Nicholas Lander on the struggles of a Somerset farm

fertilisers, pesticides or herbicides are
 indent inspectors
 growth-promoting agents or animal
 r for disease prevention or growth
 tiare and have free access outdoors

If most of the 1980s was an extended happy hour for the horse, the high growth years for the equestrian tack trade have come to a halt. But its importance is here to stay. "I guess the only thing that could reverse that would be a ban on hunting. That would definitely have an upsetting effect on trade."

■ Stephen Robertson, *Kestrel Way, Souillon Industrial Estate, Exeter EX3 7LP.*
0899-431251.

Journal of Management Education 30(6)p. 789-804
© The Author(s) 2006. Reprints and permissions:
<http://www.sagepub.com/journalsPermissions.nav>

PERSPECTIVES

How to beat burglar Bill

Gerald Cadogan scans a magazine that helps to recover stolen goods

BURGLED? YOU came down in the morning to find the silver gone? Or returned from holiday to a house stripped of furniture? The police are in the house seeking clues and listing for interview your plumber, washing machine repairer and cleaner.

When insurance company's loss adjuster asks your first question is obvious. Is there any chance of getting anything back? The answer is "yes" especially if you use *Trace*, a monthly magazine for retrieving stolen works of art and antiques.

In its 30-month existence *Trace* claims it has led to the recovery of 524 of stolen pictures, silver and furniture. The magazine consists almost entirely of stolen goods' notices inserted by loss adjusters. They hope that a dealer, auction house or police force has seen works that may be stolen - or even bagged a hauler of stolen property and will report them. Photographs or sketches accompany technical descriptions giving dimensions.

Often there is a reward. The magazine is a sobering read. A recent issue reports pictures stolen from galleries, churches, private houses, Cheltenham and an Oxford college. It lists clocks and large categories. And there is a steady depletion of furniture. A house in Galway looks as if it lost all its Georgian chairs, chests and tables last October. Coming up in the stakes are garden statues and urns, and frepales (56 in the last three months).

Phillip Saunders, the man who founded *Trace*, believes that circulating information is the only way to fight a worldwide problem, for which Britain is exceedingly ill-prepared in spite of its leading role in the art and antiques trade.

There is no national register of stolen works - phased out a year ago - and thieves do not stick to police authority boundaries. Thefts are usually a regional problem, often national or international. The lead to the recovery of many stolen works recently displayed by north police came from Italy,

where *Trace* identified by fax works stolen in and around London. Incompatible police computers are another problem. And only eight of the country's 43 police forces have specialist art and antiques officers. The busy unit in Sussex manages four officers, but Scotland Yard, which should be still busier, has only two and a civilian assistant. In much of the UK, if you are burgled, you may well find police who are not trained to describe property and a system that does not distinguish a video from a Vuillard.

Trace cannot sink with police, which circulates its lists, and collects in more than 100 countries. *Trace* also subscribes to, as one fence told a policeman: "I do not want to buy stolen goods." Of course not. And from its own computerised register of stolen works *Trace* has identified pieces that dealers have rung to query even before they have appeared in the magazine.

If you are burgled, tell the loss adjuster to get in touch with *Trace*.

or do so yourself. Inserting an advertisement quickly may prevent works reaching the continent or being put up for auction at home. A garden seat stolen from the National Trust in Warwickshire turned up at Sotheby's in Billingshurst, Sussex, but was spotted from *Trace* before it went under the hammer.

It helps recovery chances if you have accurate (trade) descriptions that include dimensions and possibly a photograph. As Saunders says, nowadays it is not just a matter of protecting your property, but having the means to recover it. So take photographs and keep the negatives. You will then avoid a scramble through the family albums for snaps that happen to include the Chippendale dining chairs or the candelabra in the unfortunate event that photographs are needed.

Trace costs £25 a year (UK), £35 (Europe) or £45 (elsewhere) from Trace Publications Ltd, 165 Clarendon Road, Plymouth, Devon PL1 2HU (tel: 0753-228727; fax: 226211).



Phillip Saunders, founder of Trace, in his Plymouth office

Faraday and the spark of genius

David Fishlock pays tribute to the father of many of the modern world's inventions



Michael Faraday: the scientist on the new £20 note

CAN YOU imagine without electric motors to dry your hair, mix your food, pump water round the central heating system and washing machine, run the lawnmower and even your electric toothbrush? Think of living without telephones or faxes, or fluorescent lamps.

The origins of all these, and much more, can be traced to one man - Michael Faraday, born 22 September 1791, and whose portrait has now replaced that of Shakespeare on Britain's new £20 note. He invented the dynamo that makes electricity conveniently and cheaply, as well as the electric motor to use it. He also invented vulcanisation of rubber and discovered benzene.

Faraday spent more than 50 years at the same flagstone-floored laboratory in Mayfair in London's West End. It survives at the Royal Institution of Great Britain, and Professor John Thomas, its present director, and Faraday's latest biographer says it is "the oldest continuously used chemical

research laboratory in the world."

Thomas - himself a chemist of international renown - was 14 when a teacher told him about Faraday. In later years, he was to hold the chair of chemistry at Cambridge created for Faraday in 1834. And he notes: "Einstein had a portrait of Faraday on his wall."

Faraday was hired in 1812 by Humphry Davy, the chemist known best for inventing the coal miner's lamp. Faraday was then 22 and untaught. Indeed, he was self-taught from the age of 12. His previous experience had been as an errand boy and bookbinder. He learnt no mathematics and Thomas cannot find a single differential equation in any of the 450 scientific papers he published. And yet: "They are masterpieces of lucidity, self-criticism and insight, and still serve as models for aspiring and mature scientists."

Within seven years, though, Faraday was Britain's foremost analytical chemist. One of his earliest inventions was a non-rusting steel razor, rich in platinum - the first stainless steel. The Royal Institution still has one of these.

In 1820, he read of the discovery that a wire carrying an electric current could deflect a compass needle. The following year, he showed how a wire

carrying a current rotated round a stationary magnet. This was born the first electric motor.

Ten years later, Faraday made what Thomas rates as his most momentous discovery: electromagnetic induction, the notion that electricity could act over a distance to induce a current in other, unconnected wires. In 1831 he enunciated his laws of electromagnetic induction and laid the foundations of the electrical industry.

Such great industrial scientists as Siemens, Edison, Whitney and Langmuir were all to draw inspiration from Faraday's laws. So were Tesla and Marconi with their radio-frequency fields. Modern telecommunications and man's knowledge of the universe derive from Faraday.

Over the next three years he conceived his laws of electrolysis, underpinning such modern commercial activities as extracting aluminium from its ore, and electroplating - gliding of tableware, for example - and electroforming, later used in making gramophone records. "These laws rank among the most accurate generalisations in science," says Thomas. During the same period, he also found time to

publish *Michael Faraday and his times: the genius of science and place*, by John Thomas. Published by Adam Hilger, £12.50.

Country View

Counting the cost of fallow land

"IS THAT right? Young David is going in for this sit-astide job - getting paid for doing nothing?" I overheard one village worthy inquire of another.

In some ways sit-astide would be a more apt term than set-aside for the situation in which a farmer places himself when he obliges the government by accepting a not ungenerous hand-out in exchange for refraining from active farming of his arable acres.

One wonders what effect this will have on the farmer himself. His bank balance may not be a worry, but how about his morale? If we paid our military to refrain from soldiering or our miners for not producing coal we would not be surprised to find them demoralised after the statutory five years period of inactivity.

What grounds have we therefore for not expecting a similar demoralisation in the morale of farmers?

Farmers could be forgiven for wondering if there was some fundamental flaw in the government's announcement, concerning changes in the set-aside rules, declared that goats could now be grazed on set-aside land.

To sit-astide, as the village worthy would have it, land that is steadily reverting to a wilderness is already proving a lowering experience for some arable farmers. Not so long ago they were being lashed by the same officials from the same ministry to obtain higher and higher yields. This was to be achieved by more plant breeding research and the application of still more fertilisers, insecticides, fungicides and pesticides.

Farmers with on-going dairy or livestock enterprises who have chosen set-aside for their arable land are unlikely to suffer in the same way. It is for

wholly arable farmer who is most at risk.

Of course the poppies are lovely to behold. Of course the partridges and pheasants flourish in a jungle of weeds. Of course the foxhounds find a better scent on set-aside land than on cold plough and winter wheat.

It is also nice to know that farmers are no longer involved in the ludicrous and shameful business of Community surplus, produced by a heavily subsidised agricultural system and very often sold at a loss on world markets. But what business would soon become a distant memory to the politicians.

To the farmers, the one-time practitioners of set-aside, there will be the aftermath to be reckoned with.

Five or more years of leaving arable land to look after itself, now the obligatory twice-annual cutting of plant cover, will bring problems. Anyone who has looked at a garden will have just seen ephemeral an act in cultivation.

Even if he can stand it, the full chemical armoury of weed killers, fungicides, pesticides and insecticides that will be available to the farmer in the pre-set-aside era is unlikely to be permitted.

The Greens are stepping up their campaign against the use of many pesticides formerly considered safe. Their opposition to heavy applications of nitrate fertilisers is also making itself felt.

Happily, one beneficial result of set-aside may well be quite possible. Five or more years of leaving fallow is an ideal towards conversion from conventional chemical farming to organic production.

Organic farming in this country is in its infancy, but is now officially recognised, even encouraged. The public has shown its willingness to pay the necessary extra for organically produced food. Perhaps our farmers need not, after all, turn up the goat option.

testify before a parliamentary select committee on the state of city sewers.

By 1855, Faraday was exploring plasmas - the fourth state of matter, others being solid, liquid and gaseous - and the colourful effects that he could produce with an electrical discharge through a gas. These experiments paved the way for fluorescent lamps and neon displays.

A further decade later, he linked magnetism and light and found how a magnetic field could rotate the plane of polarisation of a shaft of light - the Faraday effect, as physicists have it. He discovered this in a lead borate glass he had made nearly 20 years earlier in a state-sponsored quest for better lenses for telescopes. This was the birth of magneto-optics. Nowadays, magneto-optical crystals are used to manipulate light in systems that include trackers for spacecraft and liquid crystal displays for watches and pocket-sized television sets.

Faraday was a workaholic, even driving himself to exhaustion by his late 50s when he was forced to take sabbatical leave from the Royal Institution (although he continued to write scientific papers). He was also a man of great personal integrity and was deeply religious. His discoveries earned him no fortune - for most of his career he remained on the same salary of £100 a year. His church preached against accumulating worldly riches, says Thomas, "and he spent his life as it were chiefly on charity." He died in 1867; his legacy is everywhere in the world of science.

Michael Faraday and his times: the genius of science and place, by John Thomas. Published by Adam Hilger, £12.50.

As they say in Europe

Kohl faces the hard questions

IT IS Economic Summit time again and this brings back the nightmare every broadcasting journalist fears. It occurs when a presenter asks you, on air, a question which assumes as a matter of fact something that you either do not know or is not true. Last year I was hit with the question: "How can the other six accept the total domination of Helmut Kohl at the summit?"

What had happened was that the New York Times, Reuters News Agency and others had produced accounts of how the German Chancellor had emerged at Houston as the saviour of Europe and the arbiter of the western world. The truth was rather different: the summit of last July was the first for President Bush and, unlike his predecessor, he had both the capacity and the desire to listen to his peers. At the time the man who had the best stories was Chancellor Kohl. He had just reunited Germany and his team won the World Cup as the summit opened.

Since then, reality has intervened. Kohl has lost a series of provincial elections, undermined the federal budget, eliminated the balance-of-payments surplus, helped wreck the Uruguay round of trade talks last December, let Germany lag behind in the Gulf crisis and has literally had eggs on his face in east Germany.

A modest mood prevails in Germany. Commenting on the meeting in Bonn, Kohl and Helmut Gorbachev in the Ukraine this week. *Frankfurter Allgemeine Zeitung* wrote of the Soviet need for aid: "Germany cannot take on the burden of special costs right now. If Kohl does not want to disappoint Gorbachev he has to urge his western partners to share the burden. Kohl's debt of gratitude for German unity turns Gorbachev into a financial creditor. That's why the exponents of friendship sound so depressed. Audiences in Paris and London are listening and reading between the lines."

In other words Germany needs its friends more than ever. This Summit will be produced quite different stories from Houston.

There are compensations. As the FAZ wrote: "After Wimbledon, now one more announcement of a hero: Jürgen Möllemann remains economics minister, although news isn't exactly astonishing."

Möller had succeeded in getting his policy of substantial cuts in government subsidies through cabinet. But the *Neue Osnabrücker Zeitung* said: "In the billions game with the subsidies, the finance experts have created a miracle that would make a conjurer green with envy. With much self-praise Möllemann has announced handouts worth DM10bn have been ended... if private made savings by the Bonn method, the cash would pour out of his pocket."

Even if in Germany the wins at Wimbledon provided no more than a cue for sour comments, things were different elsewhere. The Paris daily *L'Express* went characteristically over the top in analysing

the victories of outsiders in this year's major tennis championships. "They all triumphed thanks to their inner peace and a kind of sovereign innocence which derived from their unexpected challenges to overstressed stars."

The transcendental nature of the Centre Court had escaped me but seems to have taken hold of the French. The headline in *Le Monde* was: "Stich at a state of grace." Its reporter produced a couple of sentences which sound as bad in French as in English: "Michael Stich was already overwhelmed, having come out of the great Wimbledon hat as a miracle, but the outsider, he consecrated himself on the most prestigious lawn in the world."

On Wednesday the summit seven will have to face President Gorbachev. The intellectual transition from socialism is by no means easy. Western leaders should read a piece in *Neue Zürcherer Gazette* entitled "The Great Mismanager." It may be a denunciation of the system but it is not wholly reassuring. "Let us visit the socialist enterprise," it runs. "As a result of the October Revolution and the full victory of socialism there is nobody to be exploited, nobody who will make a fortune. The country and the people take from the enterprise an impossibly little part - 10 per cent, but even so this part is returned to the worker because everything in this country belongs to him: the army, the government and schools. There is no exploitation. But, mismanagerism reigns at the enterprise."

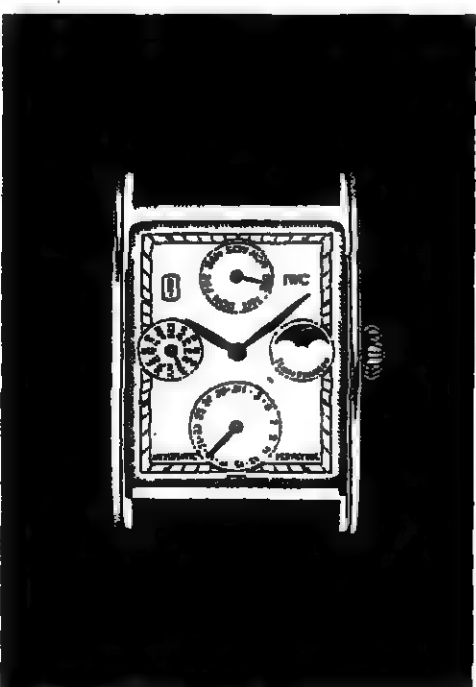
Karl Marx had not realised this would result, said the paper. He had merely seen the "chief" of exploitation. "And what was the October Revolution if it wasn't the shout of millions: 'Catch thief! Away with the exploiters! Take back the money he stole!'" The worker's interests and those of the owner are opposed where there is capitalist exploitation. But they coincide when they face the exploitation of mismanagerism. The workers' victory means he is oppressed by mismanagerism."

This reflects the new reality - Russians know their system does not work, but they do not know how the other one does.

I apologise for having missed chapter two of the great Frankfurt brothel saga which saw a defeat for the socialist council when its brothel closure ordinance was overturned in court. But now the court has ruled that there had to be an ordinance covering some "prostitute accommodations". The core of the problem is a proposal for a 220-room super brothel, which would provide a "new Frankfurt prostitution centre". The *Frankfurter Rundschau* quoted a local official, Eberhard Klein, as saying, "Now we're going to put on the table everything we've got against the brothel."

James Morgan

James Morgan is Economics Correspondent of the BBC World Service.



Platinum £13,400 - £33,175
The Novocento with perpetual calendar and moon phase display by IWC.

Aesthetics from every angle. It's fine - your eyes caught by the 18-carat gold Novocento.

Although when you study its four circles at four corners, it might not seem so easy to know you begin to comprehend its mysteries.

You will find there are eight hands added to each other, and in itself is rather an extraordinary accomplishment in contemporary watchmaking art.

In front of you is the only automatic, rectangular watch in the world with a perpetual calendar, moon phase display.

It doesn't really matter where you begin, where you stop examining the watch. It is a masterpiece from any angle. Whether in gold, platinum, or with gold, platinum or leather wristband - you are likely to want to examine it more closely several times a day. Perhaps even every hour, so as to study its aesthetics from another angle. The Novocento - a superlative in your world.

IWC

International Watch Co. Ltd, Schaffhausen, Switzerland
Since 1868

If you would like to know more about the Novocento and other masterpieces, please ask for the IWC complete catalogue. IWC Schaffhausen, 124a Manor Road North, Thames Ditton, Surrey KT7 0BH. Telephone: 081-339 0883

LONDON: ASPREY - NEW BOND STREET; HARRISON - KNIGHTSBRIDGE.

DAVID MORRIS - CONDUIT STREET; THE WATCHGALLERY - FULHAM ROAD; THE LONDON STREET.

MAPPIN & WEBB - QUEEN VICTORIA STREET; REGENT STREET; GARRARD - THE LONDON STREET.

JEWELLERS: HOWARDS - BROADWAY, STRATFORD-UPON-AVON AND BIRMINGHAM; C.S. REDFORD - NORTHWOOD AND KESLIP; HARRIS - HARROGATE AND YORK; MAPPIN & WEBB - GUILDFORD.

MALE IMPOTENCE

This problem is more common than most sufferers believe. Simple and effective medical remedies can now end this distressing condition. The Male Care Department at THE GROSVENOR CLINIC specialises in impotence problems. Our sympathetic team of experienced doctors can treat impotence with excellent results. For more information please telephone 081-723 8888, or write or send the coupon to THE GROSVENOR CLINIC (MCD).

37 Weyford Way, Reading, London NW4 4RS

The Grosvenor Clinic is licensed by the Royal Medical Association

No la
sim
qua

the designer lo

Or

PROPHET
HOM
THE INSID

PROPERTY

Why the rich are spurning status

John Brennan looks at some strange contradictions in the UK housing market

THE UK housing market today is one of sharp contrasts. Just look at what is happening. In a private party held in the extensive disused warehousing next to Chelsea Old Rectory the great, the good and the party-circuit rich, gathered to view plans for Tokyo Metropolitan Company, an UK property offshoot of a private Japanese investment group.

After a decade-long of Kuwaiti purchase, protracted inaction, bank repossession and eventual sale, the house with one of the largest private gardens in central London now has an owner able to push through a 30,000 sq ft extension and reconstruction that will turn this long-abandoned house into a £20m to £30m mansion.

As Tokyo displayed its confidence in the eventual saleability of such a special central London house, a quite different picture was being painted for leases at the other extreme of the price ranges.

Down the road from the Old Rectory, in more prosaic surroundings, housing economists completed a

report showing that less than half of UK householders under 30-years-old can afford to buy the cheapest house.

The House Builders Federation and the Association of Estate Agents calculate that 55 per cent of all new households in England need some form of social housing and that 75,000 to 100,000 extra low-cost houses would be needed each year if these first-timers were to get a home of their own.

Further across town, Sir Oliver Cheesterton reflected on the estate agency world after 60 years in the business. In helping to celebrate the revival of the Cheestertons name as an agency he took a verbal scalpel to estate agency hype.

In his view the professional work of estate management and the fickle business of estate sales are poles apart. Far enough for Sir Oliver to characterise the sale of the agency offices to the Prudential as the time when the Cheestertons and their successors "parted with something that didn't really matter."

As a former Woolwich chairman, Sir Oliver enjoyed the irony of

which has led to the Woolwich restoring the name of his old company, which the society acquired along with the Prudential's London and south eastern agency networks. But he cautioned against talk of any early recovery in the house sales market.

He can still remember the cheers around the office in the 1980s when the sale of a house for £5,000 was the first significant deal in one-and-a-half years. He recalled years in the 1950s and 1960s when any sale was a rare treat. As for Chancellor Lamont's recent talk of a revival in the economy towards the year-end he says: "The question you should ask is when does Lamont's year start?"

Around the capital it depends where you look as to whether the news is that Lamont's promised revival is already evident, has not yet been sighted, or has been and gone.

Cheaper homes are both selling, and sticking. From Fulham to Islington, buyers have been competing to buy smaller family houses. Identical properties 100

yards away cannot be sold after successive price cuts.

Members of the Central London Estate Agency group (CLEA), representing the leading residential firms from Hampstead through west central London to Wimbledon and Barnes, have been recording a steady increase in the number of viewings keen to see what bargains are on offer. Sales activity is so patchy that no common trends

Historic seasonal patterns have been thrown into chaos by weather. Viewing and sale figures grew encouragingly until the end of May then faded in June. One answer to that may be found at the travel agencies and airports.

There was a surge of last-minute holiday bookings at the end of May and Britons stopped dithering about whether they could afford a holiday and took flight. As they have been returning, the viewing figures have been rising, and agencies are preparing for a new round of bargain-hunting in August.

Meanwhile, with unemployment totals rising towards a forecast 2.5m by the calendar year-end, a housing intentions survey by National Westminster Bank confirms the assumption that many would-be movers have been put kept out of the market because of job uncertainties.

A parallel survey by the Woolwich suggests that an even broader range of homeowners are fed up with patching and mending their homes and would love to make a move if they could. This pent-up demand underpins the view of Basil Bean, chief executive of the National House Building Council, that a 16 per cent rise in the number of new housing starts in the second quarter of the year, to 36,000, could be the first sign of recovery. On the other hand, employment concerns convinced Joe Dwyer, Wimpey chief executive, that the year's sales spurt may have petered out and that "we have seen no indication of a real upturn."

Housing sales volumes everywhere are bolstered by an unparalleled number of repossessions and forced sales. The mortgage lenders' figures for individual home repossessions give no real insight into the scale of the problem. Although repossessions were well up on last year's record 1,000 a month, they do not reflect the number of forced sales arriving at auction from residential property-owning companies or the undertow of forced sales by individual owners.

Down the scale sales are being

pushed through by owners hit by job losses or simply worn down by the pressures of meeting loan repayments and offering too little cash to live and offer no compensating promise of an early capital gain. Up the price scale, the cash calls made on the members of Lloyd's of London underwriting syndicates are beginning to have their effect with a sharp increase in the number of moderately wealthy homeowners suddenly keen to trade downmarket.

It is from the perspective of the country house market that James Laing and Anthony Cane, joint chiefs of Strutt & Parker's national estate agency department, report what may well be the only clear, long-term trend to emerge from this otherwise cacophonous 1991 market-place.

Laing reports a distinctive shift in clients' attitudes to their homes since the 1980s. Quite apart from all the obvious factors affecting relative prices of properties since the late 1980s, the company notes a marked drop in the premium that

people are willing to pay for status.

It explains why demand for family country properties is comparatively low and why demand for more overtly opulent homes is flatter than at any time since the beginning of the 1980s. Laing says there is a steady interest in good four and five-bedroom homes priced in the £250,000 to £350,000 range, depending on their condition and location.

That is the classic shires rectory and small mansion property sector that draws buyers from town to country. In the country, as in any other sector of existing housing, each successive price layer depends on a steady cycle of people trading up. Throughout the 1980s the market for the next price layer of homes above those comfortable family-scale properties - the £400,000-£750,000 bigger country properties - was well-supported by rectory owners borrowing their way into the local market, and manor owners making the break upmarket to acquire a mini-estate.

According to Laing, that pressure

to trade up has disappeared, owners with accommodation enough for their needs do not feel the need to acquire a grand facade. What is now posing an additional problem for properties in the middle and upper price ranges, is the new enthusiasm among the owners of larger homes to cut their costs by trading down.

These pressures have combined to throw a mass of the best country houses on to the market at the same time. The impact on prices is such that, in James Laing's view, many of the houses and estates that would have sold in competition for £1.5m or more two years ago may be hard to place even with price cuts of a third or more.

Much the same applies down the scale until you reach the more modestly priced homes that have become the focus of interest for people trading up, across, and increasingly also down market. This shift in interest, from status to a more prosaic view of value and accommodation, is unlikely to be limited to the country house market.



As house sales hiccup through a period of radical change, rentals continue on their comparatively steady way. W A Ellis (071-589-3535) offers this complete four-bedroom family house and garden in Eaton Square, SW1, has been reduced from £2,500 to £2,300 a week for a long letting



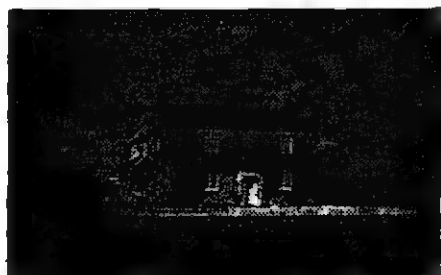
Sir Dennis and Lady Thatcher's no-longer-needed retirement home, the five-bedroom neo-georgian Barratt house, near Dulwich and Sydenham Golf Course, is on now the market. Keith Cardale Groves (tel: 071-495-2495) has set a guide price of £575,000 for the house and is vetting viewings to eliminate the inevitable tourists

COUNTRY PROPERTY

HAMPTONS



WORCESTERSHIRE - NEAR TEWKESBURY
Tewkesbury 5 miles, Cheltenham 14 miles, M4 (19) 5 miles.
An historic Grade II manor house dating from the 14th Century.
4 reception rooms, 4 bedrooms, 5 secondary rooms.
Flat, 1/2 acre. Outbuildings. Heated pool, garden.
£1 1/2 acres.
Cheltenham. Tel: (0242) 222009 or Head Office. Tel: 071-495 8222



WILTSHIRE - NEAR HIGHWORTH
Cheltenham 16 miles, M4 (115) 9 miles.
An 18th Century farmhouse in a rural location.
3 reception rooms, 4/5 bedrooms, 2 bathrooms.
Garaging, Barn, Stabling, Outbuildings, Paddock.
About 45 acres.
Hampton Pooch & Lane, Cheltenham.
Tel: (0242) 664035 or Head Office. Tel: 071-495 8222



KENT - FAIRSEAT, NEAR SEVENOAKS
A delightful 19th Century house in the centre of the village.
Hall, 4 reception rooms, kitchen/breakfast room, Conservatory, 7 bedrooms, 3 bathrooms (2 en-suite).
Garaging, Outbuildings, Swimming pool.
Garden and paddocks.
About 4 acres.
Sevenoaks. Tel: (0732) 466222



WEST SUSSEX
Chichester 5 miles.
A quality country house set in beautiful grounds.
4 reception rooms, 4 bedrooms, 3 bathrooms, 2 bedrooms.
Covering 3,000 sq ft garage complex. Swimming pool.
Sculpted grounds.
About 3 acres.
Guide £350,000.
Hove. Tel: (04463) 211766



GOLF DE FREGATE, PROVENCE
An outstanding project on an unspoilt stretch of coastline near Cannes.
A traditionally built village with a full range of facilities to include swimming pool, tennis courts, 27 hole golf course with lakes, 5 star luxury hotel. Completion Summer 1992.
Apartments and houses from £110,000.
International Dept. Tel: 071-495 8222

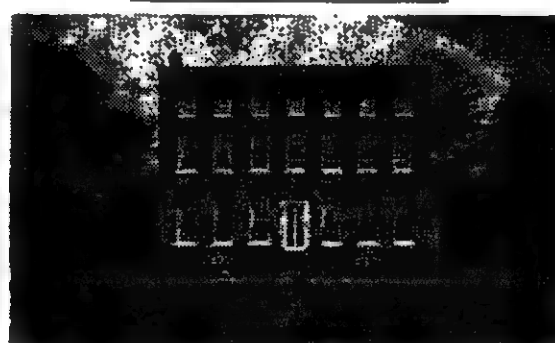


NORTH HAMPTON
Near Merton-in-Marsh, (50 minutes to London-Paddington)
An intriguing conversion of a Grade II Cotswold Church for residential use with outstanding views.
2/3 reception rooms, 3/5 bedrooms, 3 bathrooms.
Region £250,000
Chipping Campden. Tel: (05389) 84112/840355

Head Office: 6 Arlington Street, St. James's, London SW1A 1RB. Telephone: 071-495 8222.
International Enquiries: Facsimile: 071-491 3541

Hampton Residential: Offices in England, Scotland, The Channel Islands and Hong Kong, with agencies in Europe and The USA.

BIDWELLS RESIDENTIAL



CAMBRIDGESHIRE - CONINGTON
Cambridge 11 miles, Huntingdon 9 miles
(Kings Cross 55 mins), Stansted Airport 33 miles,
London 60 miles

A CLASSIC GEORGIAN COUNTRY HOUSE AND SUPERB LANDSCAPE PARKLAND
4 reception rooms, 8 bedrooms, 8 bathrooms,
extensive lower ground floor.

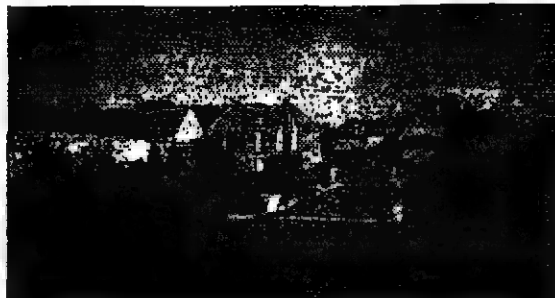
Pretty gardeners with studio and immaculate modern bungalow. Delightful grounds including pastureland, garden, wilderness and fishponds. Useful outbuildings, comprising garaging, and kennels.

ABOUT 75 ACRES
0223 841842
STONECROSS TRUMPINGTON CAMBRIDGE CB2 2SU
CAMBRIDGE IPSWICH NORWICH LONDON PERTH

CLUTTONS

AVON

Bath 5 miles. Bristol 11 miles. M4 6 miles.



An impressive Manor House, Listed Grade II, with an 18th Century facade.

In an impressive position with lovely views.

5 reception rooms, study, 5 bedrooms, 3 bathrooms.

Separate 3 bedroom cottage.

Library and office. Swimming pool. Tennis court.

Single bank fishing. Lovely gardens and grounds.

About 12 Acres

Joint Agents:

CLUTTONS, BATH OFFICE: (0225) 469511

COBB FARR: (0225) 333332

STRUTT & PARKER



ESSEX - BOXTED, Colchester 5 miles.
A well appointed house set in immaculate gardens. 3 receptions, 5 bedrooms, 2 bathrooms.
17th barn, 2 bedrooms, cottage, paddocks. About 17 acres.
Region £330,000, Ipswich (0473) 214841.
Chelmsford: (0245) 258201. Ref: LSA1773.



DORSET - SILTON, Gillingham 2 miles.
A Grade II 18th century former rectory. 4 receptions, 6 bedrooms, 2 bathrooms, stables, outbuildings, swimming pool, tennis court, gardens and paddocks. About 2 1/2 acres.
Region £325,000.
Salisbury: (0722) 328741. Ref: TAD1179.



RUTLAND, Stamford 4 miles.
A superb late 18th century house.
4 reception rooms, 7 bedrooms, 4 bathrooms, 1/2 acre, coach house, swimming pool, tennis court, lake, stables, grounds. About 24 acres.
Market Harborough: (0856) 433123.
Ref: LSA10283.



KENT, Ashford 5 miles.
A late Georgian village house in landscaped gardens. 4 reception rooms, 5 bedrooms, 2 bathrooms, outbuildings with 2 garages, workshops, extensive greenhouses.
About 1 1/2 acres. Region £275,000.
Canterbury: (0227) 451123. Ref: ACC2426.

13 HILL STREET BERKELEY SQUARE LONDON W1X 8DL 071-629 7282

LYMBINGTON, HAMPSHIRE

3 attractive properties within easy distance of the New Forest and the sailing facilities at The Solent. All are currently in fully furnished on short term holiday rentals with established letting arrangements for the current season.

200 year old oak and thatched cottage enjoying the open forest, 3 bedrooms, double garage. £175,000.

Mediterranean style 3 bedroomed town house only yards from the beach with magnificent views. £135,000.

Recently built chalet style house with easy walking distance of the high coast. 3 bedrooms, garage. £90,500.

The properties are for sale separately with all contents available by negotiation.

For full particulars please contact: Agent (0344) 28282.

KILMUN

Major portion of a small County House of considerable character dating from the late 17th century.

Hall, Lounge, Dining Room, Study, Playroom, three principal bedrooms, 4 reception rooms, 5 bedrooms, 2 bathrooms, outbuildings with 2 garages, workshops, extensive greenhouses.

Delightful views over superb grounds of about 2.5 acres to the Holy Loch and the hills beyond.

Durrow 10 minutes.

For details tel: Royal Life Estates Greenock (0475) 28411

ARGYLL



For details tel: Royal Life Estates Greenock (0475) 28411

هنا منه الأصل

The call of the desert, the smell of the souk

EVEN AMONG the most desolate mountain wildernesses, the Moroccan ante-Atlas are spectacularly barren. They stand between the majestic peaks of the Atlas and the dunes of the Sahara, their crumbling rockfaces burned ochre, tinted with green, pink and red. Their convex slopes are scratched with strata that reveal the layers of a geological map. On the high plains you can travel for miles without seeing anything growing.

Even the simplest life is an ever-running battle. The sun and wind have forces of their own, the ground clings scorching the earth. Against them, plants cling desperately with filigree roots to any crack in the ground, cloying even grains of sand to create a focus, hoping they can trap enough water to survive.

The Berbers have held out here, though, collecting the occasional rains and snows, tacking their villages to the mountainside, head ■ toe. Any drop of ■■■■ they can find is meticulously channelled, often for miles, and fed into the terraced fields, ■■■■ over their ■■■■, crenellated castles of beaten earth, perched on the high ground in every fertile valley.

Surrounded by Moroccans in their elfin-hooded *djellabas*, we wound laboriously into the hills, coasting around the tortuous bends and running as fast as we could across the plains, a mass of fist-sized football-sized boulders. I needed a simple logic: the traffic the bigger you are, the more of it claim you have, the single strip of tarmac.

If you lose out, you simply change down a gear and shift on to the gravel banking at the side. Pedestrians step into the ditch for donkeys, which move aside anything on wheels. A motor cycle shimmyies for a car, which swerves at the sight of a van, which moves off the road for a bus. Loaded grain lorries for no man. The

system [redacted] in [redacted] quite well, but [redacted] the roads are fairly empty.

We were travelling down an oasis valley towards Zagora on the edge of the Sahara. The mountains are burned barren but on the valley floor was a carpet of green, the sprouts of thousands of date palms, tightly clustered, snaking off into the distance with meandering the valley, towards the vast and threatening ochre dunes in the dis-

The idea of an oasis is too well-known, but there is nothing quite like stepping out of the oppressive Saharan heat and sitting down in a shaded garden, laced with cold streams. The water-courses ran in all directions, seemingly without pattern, sometimes crossing over one another, but seeking out the fields in an ingenious network.

In the shade of ■ overhang-
ing ■ the lightest ■
seemed to cling to the surface
of the cool water. Above us
the date palms stood tallest,
■ if bushy crowns shading
the fruit trees planted in lines
beneath them. The ground is
covered with crops. Not a
square yard of this fertile
ground is wasted.

Our adoptive minders, a small crowd of shy but inquisitive children, took us to a cool spot where a family was harvesting its crop of dates (Zagran dates are supposedly the best in the region), and we sat watching the work. Gutters were handing down the branches. The dates were stripped, washed in a stream, left to dry and then boxed up before being loaded on to the donkey and taken off for sale.

In such a lush surrounding it seemed like the original land of milk and honey, a pas-

toral idyll that has been around since Biblical times. Tell them a man has been on the moon and they might believe you, but they would wonder why he bothered. Stay here too long and the whole of the western world, its glinting chrome, scientific ethic and boundless progress, begins to look like a hiccup in time's passage.

After the barren majesty of the Atlas mountains, we descended to the sensuous delights of Marrakech. Immediately we were over the high Atlas the country began to look more fertile. Terraced fields stood out in green on the brown of the huge valleys laid out thousands of feet beneath us. The simple system of traffic breaks down here as there is no gravel shoulder. Horas blaring, grain lorries lumber round the tight bends in the middle of the road.

A black and white photograph of a person in a dark, textured costume with a large, dark, textured headpiece, standing outdoors in a grassy area with trees and a building in the background. The person is wearing a dark, textured costume with a large, dark, textured headpiece. The background shows a grassy area, trees, and a building.

The sights and sounds of Marrakesh: reminders of an ancient past

Moroccan winter seemed perfect. But from the cafés around us, I got the idea that Marrakesh gets a bit hot in the summer: each time I looked up, there was another. Café Glacier or Brandy Iceblock.

dominated with winter Alpine scenes, where **Moroccans** sat with their mint tea brewed with fresh mint and steeped with sugar, it is a bit like drinking Wrigleys Spearmint Gum. Seeing us they smiled and referred to it as "le **whisky marocain**."

On the map, the souk, which leads off the Djama el Fna, is whole square miles of market. In tiny alleys you will find bakeries, businesses, garages and

workshops as well as houses. We entered the fray, looking busy, relentlessly casting aside the attentions of the hustlers, ~~immersed~~ to yet another "Aladdin's Cave" ~~and~~ the remonstrations of the shopkeepers, calling ~~us~~ in for an hour of mint tea and bargaining: "Maieu, Maieu," the passages ~~and~~ tunnels as the ~~sun~~ overhead filtered the glare of the sun and we passed into semi-darkness.

We were bombarded by the smells of the boat - citrus, freshly-cut pine, polished brass, leather, a faint ~~smell~~ smell of drains and the wafting pungence of spices in their bulging heesian sacks. In con-

trast to the houses out in the country, with their menacing defensive walls and reclusive appearance, the bazaar shops are positively up-front. Piles of goods and groaning sacks pour on to the pavements. The shopkeepers preside over their goods from within: "Maisieu, Maisieu."

After an hour of wandering, the alleyways became thinner, more sinuous, the stalls darker and tighter, the crowds thicker and the calls to buy ever more persistent. "Maison, Maison..." Carvings with Koranic design, rushwork, lipsticks in pots, ~~the~~ were all shoved in our faces.

"Mais, Mais, c'est fermé, par-là." We had walked

straight into a dead-end. It had been a kind gesture and we had ignored the man. Sheepishly, we sneaked back out and scuttled off.

But where to? We were completely lost. It was a warren. We must have walked a couple of miles in the same direction and still we had not come upon it. In a way it would have been a disappointment to discover that the souk had limits, but to stay there for ever? A moment later our problem was solved. In the gloom a white blob emerged: European faces, Western T-shirts, hand-held video cameras. It was Club Med, holding hands in the middle of the street, advancing fearfully and slowly.


LINK

**SCORE HOUSE
HOTEL**

On the borders of Essex and North Devon beaches. A quiet peaceful family hotel set in 2 acres of its own country grounds of woodland walks & lawns. Licensed bar & restaurant serving continental & à la carte French farmhouse cuisine. En-suite rooms. Fishing & riding by arrangement. Four superb golf courses nearby.

Weekly tariff from £107.

Tel (0271) 336 222


Poyers AKA★
HOTEL & RESTAURANT
Worthing, Bournemouth, North Devon.
Tel: (0271) 812149
Experience a real welcome at one of
Devon's friendliest family run hotels.
15th C. thatched hotel offering
unrivalled cuisine.
Close to Exmoor, sea and excellent
golf. All rooms en-suite with col TV and
telephones. Free morning papers.
Halfway Country Restaurant.
BARGAIN BREAKS AVAILABLE
'Poyers is YOUR sort of hotel'

Camper & Nicholsons

YACHTING SINCE 1782

Expect nothing but the best when you charter or purchase a yacht through Camper and Nicholsons this summer.

LONDON

Camper & Nicholsons
31 Berkeley Street
London W1X 3SA
England

Telephone: 01-491 2856
Telex: 011-629 2888
Telex: 05074 NICKOLG &

CANNES

Camper & Nicholsons
B.P. 163, Port Pierre Canto
06402 Cannes
France

Telephone: 033 93 43 16 76
Telex: 033 93 19 73 48
Telex: 436725 NICKOLAT

ANTIBES

Camper & Nicholsons
12 Avenue de la Libération
06600 Antibes
France

Telephone: 033 92 91 32 13
Telex: 033 92 91 28 08
Telex: 436725 NICKOLAT

LONDON . GOSPORT . CANNES . MONTE-CARLO . ANTIBES . PALMA . TOKYO

A&P Picture Library

The Financial Times together with Serenissima Travel invite you to explore the glories of Egypt on a specially arranged 600-mile journey along the Nile

*Sunday 24th November to Monday 9th December, 1991
with Gerald Cadogan*

The Financial Times has chartered the MS Nile Rhapody, a fully air-conditioned vessel, which will enable us to take just 40 FT readers on a unique holiday through Egypt. Nile Rhapody, because of its very shallow draft, allows us to navigate the Nile, even in low water when larger vessels are restricted to the upper reaches of the river. It has 26 outside cabins, all with private facilities, and provides our base for the 11-night journey from Cairo to Aswan.

Travelling with the party will be the Financial Times's archaeological correspondent Gerald Cadogan, who will be assisted by local historians and guides. En route we shall visit El Faini Beni Hassan, Ashmuniya, Tuna-el-Gebel, Tel-el-Amarna, Sahag, Nag Hammadi, Abydos, Denderah, Karnak, Luxor, Esna, Edfu and Kom Ombo.

But first we shall spend a night at the Marriot Hotel in Cairo. Exploration in Cairo will include the Egyptian Museum, Giza, Coptic Cairo, Memphis and Saggara.

On arrival at Aswan we shall moor overnight allowing us the opportunity to take an early morning flight to the temples of Abu Simbel.

We believe we have found the most comfortable way to explore the Nile. Our strictly limited party size makes the excursions ashore much more enjoyable than with larger parties. On board the MS Nile Rhinopatra there will be one sitting room and ample space to relax and enjoy the journey. All cabins have large picture windows, as does the comfortable lounge. There is also a large sun-deck and viewing area with a swimming pool.

Price
per person in twin room/cabin £1591.00
Single supplement £550.00

Price includes: British Airways return travel, 4 nights at the Marriott in Calvo on half board, 11 nights on the *MS Nieuw Rhapsody* on full board, all excursions, entrance fees, services of Guest Lecturer and Tour Manager. Not including travel insurance £24, gratuities to ship's staff. Prices shown above are subject to change.



How to Book

Please contact Nigel Pullman (Nile Tour), Financial Times, Number One Southwark Bridge, London SE1 9HL, who will be delighted to send you a detailed itinerary with a booking form.

Telephone enquiries can be made to Nigel Pullman, telephone 071-573 3524 or Serenissima Travel, Debbie Harris, telephone 071-730 9841.

The Financial Times - A Winter's Visit to Egypt

The Financial Times - A Winter's Visit to Egypt

Please return to
Nigel Fulkman
(Nile Tour)
Financial Times,
Number One
Southwark Bridge,
London SE1 9HL.

Please send me details of the Winter's Visit to Egypt:
Name & Address _____

Post Code _____
Telephone No. _____

**LONDON ELIZABETH
HOTEL**

A fine Central London Hotel overlooking
Hyde Park. Ideally situated for all transport.
All rooms with Direct Dial phone, c.c. tv.,
Lift to all floors, 24 hr Room Service. Private
Car Park. Restaurant Restaurant & Bar.

Rates incl English Breakfast + VAT
Single £25.00 Twin/Double £30.00

Leicester Terrace, Hyde Park,
London W2 3PF Tel: 071-632 6641
Fax: 071 226 8900 Telex: 23817

VILLAS
Loire Chateau (with own pool and court) ■■■■■ July & September
Canoe villa with pool for up to 12 available July/Aug
Valbonne villa with pool and court available from 20 July
Palmer & Parker
 ■■■■■ ■■■■■

CARIBBEAN
CARIBBEAN Luscious villas + plantation
houses, some with own private beaches +
tennis courts, most with own pool, all fully
furnished. **now at** prices.
Special **071-722 9980**

**THE GLORIOUS
12TH**

On August 3rd the Weekend FT will be dedicated to country pursuits.

Whether you are a game food supplier, a hotel that offers shooting ~~halls~~, a kennel or a farm, or indeed sitting in between, there is a place for you in this feature.

To reach the corporate sportsman or lone enthusiast please contact:

**Dezale Maurice on
071-407 5753**

FINANCIAL TIMES

Italy

Let your body take a holiday

Swimming, great coastal hotels and excellent cuisine, why not ease your aches and pains with the famous Fango mud of **Montecatini** or **Thalassotherapy** as well as **Health, Beauty and Fitness Courses**

ASANO, MONTECATINI, ISCHIA, IN ITALY

YERDORF IN SWITZERLAND

WAZZATE IN FRANCE

Scheduled flights from Heathrow to Gland and regional airports. Prices with or without treatments. Private car transfers included.

FOR FREE COLOUR BROCHURE CONTACT:

dwards
 of Westminster Limited
 276 PRESTON ROAD, HARRLOW, HES DA
 Tel: 081-904 2202

Egypt

BALES BARGAIN PRICE NILE CRUISE

Reduced by £116
Now from £1,379
18 days full board

At leisurely pace along the Nile with **Qualified Lecturer** and **Cruise Director**. **Departs** **October and November** **1991**.

BALES DORKING SURREY
0306 885923

Costa Rica

We specialise.

Small group escorted tours:
 individual bespoke itineraries; and for independent travellers a range of low-cost flight options that is second to none.

Please ask for brochures.
Journey Latin America
 16 Devonshire Rd,
 London W4 2HD

Flights 081-747 3108
Tours 081-747 8315

24 hours answering **ABTA**
FULLY BONDED **85321**

FIND A LOWER FARE AND WE'LL BEAT IT!	
\$69	return from
AMSTERDAM \$79	LYON \$119
BARCELONA \$109	BAGHDAD \$159
BIRMINGHAM \$109	MARSEILLE \$159
BERLIN \$149	MUNICH \$130
BRUSSELS \$149	NICE \$130
COPENHAGEN \$159	OPORTO \$130
DUSSELDORF \$159	OSLO \$179
LONDON \$199	PARIS \$209
FRANKFORT \$199	STOCKHOLM \$229
GENEVA \$199	TYOULOUSE \$179
HAMBURG \$199	VENIENA \$155
JOBSON \$135	ZURICH \$155

BUSINESS TRAVEL DISCOUNTS

All flights and holidays discounted (First, Club and Economy)

For more information contact us and we will return quote you our best deal.

For example: **Economy plane**

RUMBLE RIDE to:	HAWAII \$449.00
HAWAII Local fee:	NEW YORK Local fee

Club & First

NEW YORK UP TO 50% OFF AND MANY MORE

CALL OR FAX US NOW:

CRUXION TRAVEL

Tel 0462 22444 Fax 0462 22442

AIRTEL 8078 ADDRESSWISA JATA

IRELAND

The IRISH selection offers a choice of delightful country hotels, castles and farmhouses chosen for their traditional and scenic surroundings.

DISCOUNT FARES

To Ist Class, Club & Economy Chas:
Also Groupage

For the best guaranteed
Platte contact the experts
071-734 2944
Fax **071-734 2242**
Pan Express Travel

LAKE DISTRICT

RATHER SPECIAL COTTAGES

around the courtyard
of a Georgian
country house.

[illegible]

PERSPECTIVES

Galley slaves sample life before the mast

Ian Fraser survives half a gale and the threat of shipwreck aboard a replica of a 16th century Hebridean galley

LIKE MANY ideas, it seemed good at the time to build a replica of a 16th century Hebridean galley and sail from County Mayo in Ireland to Stornoway in the western Isles of Scotland. But as we rounded Malin Head, the most northerly point in Ireland, in a gale, the crew became apprehensive.

The last time a 16-oared birlinn, to give its Gaelic name, had sailed this stretch of water was 300 years ago, so we had no idea how our replica would behave. For company we had only a local fishing boat and a colony of kittiwakes.

Our mast had been broken by a gale the previous week and we did not rate its chances. We had no firm guarantee that our 16-oared galley would not capsize in the heavy swell. But *Aileach* showed herself to be of stern stuff. With experienced racing skipper Andrew Macdonald at the tiller she pulled through, barely shipping water in seas of low gunnels, climbing each crest and plunging into the troughs without so much as a shudder.

Having averaged six knots on the 12-mile run from Ballybucca, we squared off the yardarm on round Malin Head. With the wind behind us and twin spars holding the base of the emblazoned square sail out to either side, it was not long before we were surging forward at 10 knots. Running before the wind, we discovered that our archaic rigging was more efficient than the fore-and-aft type that is almost universally favoured nowadays.

Named after a fourth century Scottish princess, *Aileach* is 40 ft long and 10 ft wide, made of flexible larch planking on oak frames, and has carved Celtic figureheads at both prow and stern. Apart from one or two refinements (a hinged rudder and riveted planking) she bears a striking resemblance to a Viking longship.

The building of birlinns stopped in 1806, when James VI ended the naval supremacy of the Lords of the Isles. So Ronald Macdonald and Wallace Clark decided at the 1984 gathering 12 years ago to build a replica that had little to go on. They relied on computer analyses of medieval carvings to achieve a reasonably accurate picture of the boats. The sought guidance from Dr

Michael Jarvis of Glasgow University, and they raised £35,000 from private and corporate sponsors. *Aileach* was designed by Colin Mudie, who has produced boats for Tim Severin, the oceanic explorer.

The speed and agility of the birlinns is said to have enabled the Scots to drive the Vikings from west Highland waters in the 12th century. In the Middle Ages, ownership of the galleys gave the Macdonald Lords of the Isles supremacy over a 25,000 sq mile area from the Butt of Lewis to Ulster. The birlinns, with their shallow draft, were ideally suited to the narrow Kyles and Skerries of the Highlands.

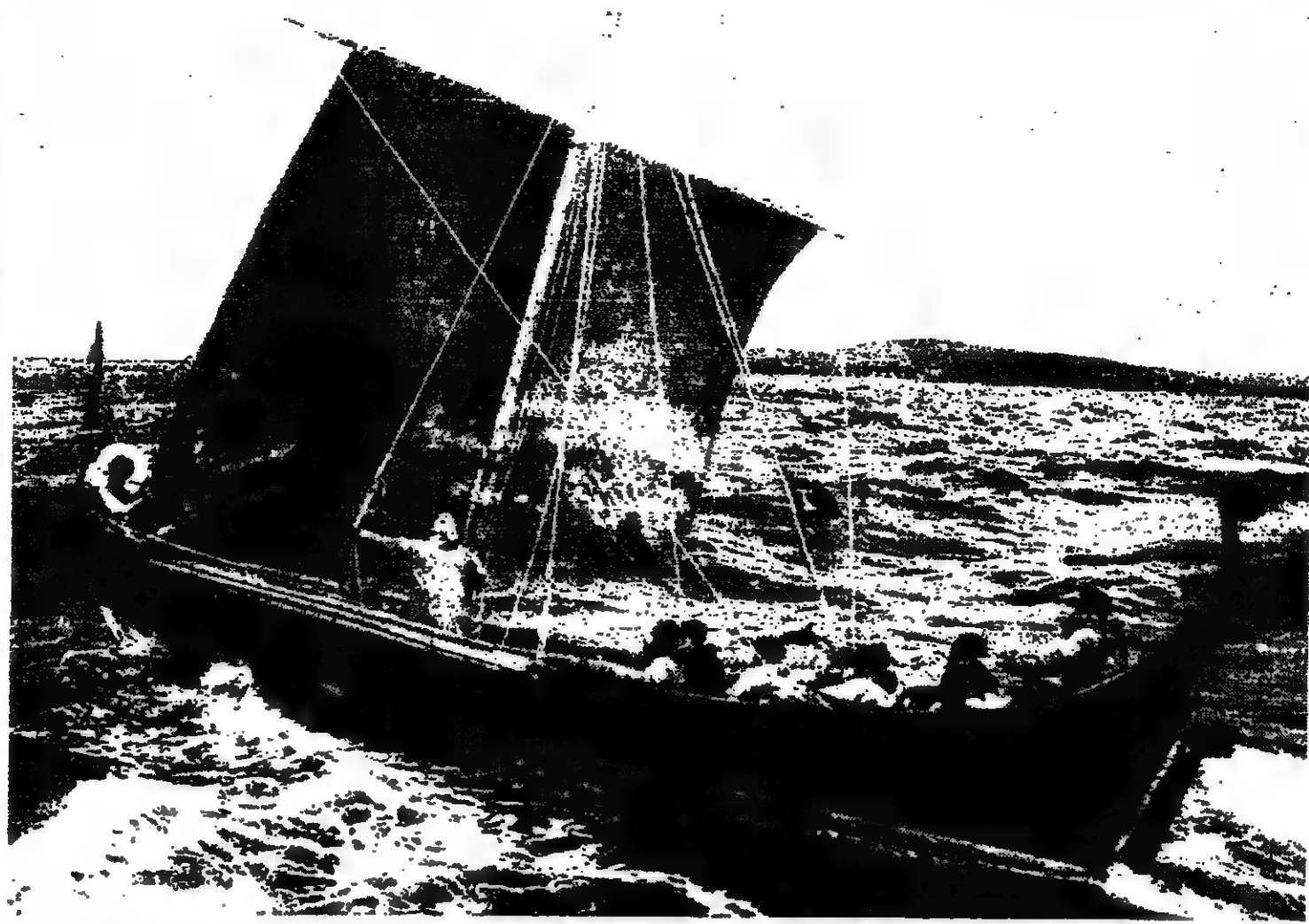
But for the modern sailor, the thing became obvious: trying to sail into the wind was a waste of time. Whenever the wind turned against us (which seemed to happen early during the six-week voyage) we had to resort to the oars. We worked in shifts of eight, with each pair of oarsmen putting their backs into it for about half an hour. It was thirsty work, and keeping time required concentration.

Anyone who expects a ticking off from Mark Richards, the skipper of the rowing master. He had performed the same role on the 1984 mile Jason voyage in 1984, and his cries of "keep in time" were less melodic than the rowing songs or "lor-ram" favoured by the early crews, but perhaps no less effective. On the 12th of us on board each had a permanent rowing bench with a small amount of storage space underneath. Kevin O'Leary, the cook, constantly surprised us by producing culinary masterpieces from an erratic gas burner.

As soon as the wind turned in our favour, we shipped the 14 ft oars and hoisted our 350 sq ft mainsail relying on brute force to get the wooden yardarm and heavy canvas aloft. Then we trimmed sheets and braces by hand.

The aim of this experiment in archaeology was to discover how a vessel like this would perform in different types of sea, under both sail and oar. It was also meant to be a reminder of the role of the birlinns in the Scottish and Irish seas. Until the 18th century, birlinns regularly plied between Ireland and the Hebrides acting as the "shuttle in the loom" of the Macdonald's far-flung kingdom.

Although kitted out with VHF



Made of stern stuff: the 12-man crew of Aileach off the northern Irish coast

radio and liferaft, the *Aileach* was essentially a medieval vessel. Living conditions were cramped and primitive, and the only shelter was a rudimentary canvas awning that could be stretched across both gunnels like a hammock. It could not be used at sea.

The 12 of us on board each had a permanent rowing bench with a small amount of storage space underneath. Kevin O'Leary, the cook, constantly surprised us by producing culinary masterpieces from an erratic gas burner.

In spite of the boat's historical authenticity, there were times when we had to rely on 20th century technology to avoid death by drowning, which must have been common in medieval times. We were reminded vividly of these perils on the day we were due to take part in a historical pageant at Red Bay in Co Antrim. We were meant to taking our position in the re-enactment of the nuptials of John Mhor Macdonald and Margery Blisset, a wedding that took place in 1389 and gave the Irish Macdonalds an enduring foothold in

Ulster. But the day turned out very differently. We set sail early from Rathlin Island but a savage squall tore across the surface of the sea as we pulled out from Tor Head, leaving streaks of spray, foam and splinter in its wake. *Aileach* slewed violently to starboard, and for a moment it seemed that she was about to capsize.

The bravest Highland seafarer would have been unable to row into the teeth of that gale, so we made our inflatable dinghy to the side

and powered ourselves towards the safety of the shore with its 30hp Yamaha outboard. I spent an age sitting on the bows of the dinghy amid surges of spray to prevent it from flipping over, while Mark, the rowing master, held the dinghy steady. *Aileach* was struggling to heel while the rest of the crew covered for protection in her bows.

Even at full throttle, we barely made headway. After what seemed like an eternity of being driven

reached haven in the Glendun estuary and, soaked through, were welcomed into an old folks' home for tea and scones. Without the engine, we would certainly have been swept against the rocks of Kintyre, 15 miles away on the other side of the Irish Sea.

Many of the original birlinns were less fortunate. In 1882, a fleet of Hebridean galleys loaded with northern Irish coast into a storm by the English navy and 140 Scots perished. In 1670, Iain Garbh of Rassay drowned in the Minch along with the rest of his crew, after over-indulging at a christening feast in Lewis.

We had barely recovered from our ordeal when we were due to make our next appearance, at the Bunnahabhain Distillery on Islay. Again we had to break with tradition and were towed most of the way across the Irish Sea by a passenger ferry that usually plies between Rathlin Island and Ballycastle.

This time it was merely the wind was against us. The purists among us felt this intrusion of the 20th century made a mockery of what was otherwise a determinedly medieval voyage. But others argued that we had an important rendezvous with one of our sponsors if we had attempted to row across.

In two minds, I left *Aileach* on Islay. She was due to sail on to Colonsay, Iona, Elg and Skye before ending her six week voyage at Stornoway, on the Isle of Lewis last week.

It was an appropriate finishing point for the voyage. It was in Stornoway that Black Donald, the last serious claimant to the title of Lord of the Isles, was cornered by the Stewart King James IV while taking refuge with some MacLeods in 1506.

The *Aileach* is due to take part in a river race on the Thames in early September and will then be exhibited at the Earls Court Boat Show, London, in January next year. After that she is expected to become a tourist attraction somewhere in the Highlands, although her resting place has yet to be decided.

In a twist of fate reminiscent of the clan feuds that followed the collapse of the Lordship of the Isles, several *Aileach* are fighting over the "heritage" of the ship is more worthy of her.

GARDENING

Lesser lights that repay attention

Arthur Hellyer on colourful but unfamiliar flowers

JULY is a good month for hardy herbaceous perennials. At a peak as they bloom, they are beautiful, and graceful, but excellent value for money and plants that one can scarcely do without.

The perennial sunflowers, heliopsis and rudbeckia add their mainly golden colour and the erigeron and early asters complement this with blue and white. The plants which come from such plants as *Salvia* and its varieties, the common catmint or *Nepeta* and the extra large variety *Hills Giant*. These are good companions including the 6 ft-tall *C. latifolia* and 16-inch *C. glomerata* which has an extra deep violet purple variety named *Daburica*.

But it is of other, less familiar flowers that I want to write today, the asters, and some of the very beautiful eryngiums or sea hollies. With me, *Aster* or *aurantiaca* is a beautiful nuisance, a plant that when it stops and penetrates where it is not wanted and can rapidly smother all the legitimate occupants of the soil. The flowers are orange yellow or a full and lusty orange in a good variety such as *Dover Orange*. The excellent *The Plant Finder* (Headman £9.99), so good at keeping us up to date on names, reminds me that *aurantiaca* is no longer valid and this plant must now be called *aurantiaca* which means golden. I find this sad since *aurantiaca* means orange



ing of the plant's beautiful flowers. It is only suitable outdoors for very warm and favoured places. It is a collector's plant for the colouring is sober rather than exciting and the comparison with a parrot is exaggerated. I struggle with it but am not very successful any more than I am with the *Hybrids* which are now appearing in garden centres in ever increasing numbers. These *Hybrids* from an accidental cross which occurred at Borden Hill Garden, Sussex, during the 1940s and was assumed to be a cross between *A. aurantiaca* and *A. violacea*, both of which are growing in the garden. The hybrid was called *Walter Fleming* and had light,

orange-yellow flowers with black rays. A large, well-formed flower born in wide branching sprays. It is said to be sterile but this is true or not it is a fore-runner of an ever-growing range of hybrids which, until recently, have been virtually confined to the *Hybrids* trade. Now that they are becoming available in retail outlets they must be evaluated as garden plants and I have to report that my early experience with them is rather disappointing. I find them hard to get established and quick to deteriorate in vigour. I will be interested to know how others are faring.

However, with *A. Ligula* Hybrids there are no problems other than at the outset when it seems best to start with fairly young seedlings in pots from which they can be planted without disturbance. They need sunshine and good drainage, are very hardy and undisturbed and they produce a delightful range of colours from pink to orange. This is a plant that gets very untidy after flowering but it soon dies down and can be cleared away. Eryngiums are the sea hollies. The best of the lot I take to be *Eryngium alpinum*, a plant with large, teardrop-like flowers with metallic-blue stems and big flower cones surrounded by very large, fleshy bracts of a lighter shade of the same colour. It is a beautiful plant that lasts a long time in flower. In complete contrast to this is *E. tripartitum*, a sea holly with big, widely-branched sprays of small, blue flowers, excellent for cutting and long-lasting. *E. giganteum* is more like *alpinum* in size and flower form but the colouring is totally different, light grey-green bracts and nearly white flower heads and leaves. The plant usually dies after flowering so must be treated as a biennial and reproduced annually from seed sown in May or June.

There are also several fine garden hybrids which tend to split into two groups, one with the large flowers of *alpinum* and the other with the small flowers of *tripartitum*, all perennials and all worth growing if you can find them in nurseries. This is becoming increasingly easy with the growth of small nurseries specialising in the more unfamiliar plants and relying mainly on enthusiasts who are in search of rarity.

SINCE 1990, there has been a new follow-up to the Flower Show. Today and tomorrow, it is running flat out at Hampton Court, London, beginning at 10 am. It is on the grand scale and already ranks as a huge success.

I congratulate the organisers and hope that their event is now firmly part of the English summer. Nearly 300 exhibits have been drawn in, after a year of last year's happy debut.

The marquees are packed with flowers: there are masses of things which you never knew you wanted; personalities from the media are all over the place; and there is even a photographic exhibition of famous masses, past and present.

For the less, what is it worth a visit? If you go, with two warnings and a clear sense of objective, even the keenest gardener will find it worthwhile. The warnings are fundamental to the outing. Do not go anywhere near the place in a car and do not reckon to eat on the premises. The traffic jams are stupendous on all the approach roads and the car-park tails back through acres of harvested fields and woods.

Instead, you need a picnic and a rail ticket; the sponsors are Network South East. If you cannot cope with the spirit of a major flower show, you can always go to the picnic by the great Hampton over water at Hampton Court Palace. Leave from Waterloo at frequent intervals. A rail ticket (return) entitles you to a reduction on the entry fee, down from £10 to £7. What are you then supposed to do, beyond the turnstile? You can look at the Agri-frame arches for your climbers, wonder what the *Hybrids* are for your trainee bushes of *Hybrids*, or visit an exhibition of Kot carp. You can probably dodge the media and try your skill at designing a garden for the blind; you can ask experts from Hilliers about the problems of beginning to garden.

One of the problems is that Hilliers' own retail shrubs are expensive. Personally, I always had my own garden sundries. I felt more than that among the outdoor gardens, which struck me as even beneath the *Hybrids* standard. For gardeners, the living heart of the show is inside the main marquee, where there is much to move and breathe.

There is no point in comparing it with the overwhelming richness of the Main Tent at Chelsea. The *Hybrids* at Hampton Court are aiming for a different effect and usually have gone for the style of the same grand style. However,



The secret garden at Hampton Court Flower Show designed by 11-year-old Katie Tomlinson

Chelsea's budding rival

they have one huge advantage, which makes the rail-ticket, crowds, and worth-while: they are selling loads of plants on the spot.

At Chelsea, you have to wait for future delivery and, by the time the plants arrive, you have forgotten why you wanted them. At Hampton Court, you can walk off with them at prices ranging from £1.20 for an *alpinum* dianthus to £4.75 for one of the newer *Lavatera*, which sell like weeds from cuttings.

Impulse-buying is always fun, but here it is almost perfect. The exhibitors are not just the big, repetitive firms: smaller nurseries put the best of their catalogues on show. I think that I have left you with enough to buy, but I also left myself with a car-bolt list enough for a sale of my own in the car park.

By midsummer, gardeners begin to see what their garden needs. At Hampton Court, I bought it, from clematis to half-hardy forms of mimulus. I also found dozens of things which had been named in me in mail-order lists and were now up for grabs.

Last year, some of the nurserymen told me, they had sold within two days. Some of them took between £3,000 and £4,000 off the public, which is not bad for a few days of stand time to £2.50 a plant, against

strong competition. This year the exhibitors have stocked up more heavily: it is worth going in order to clear out the best of the *Hybrids* they vanish to remote corners of the map.

Inside the marquee, it is as if that wonderful handbook, *The Plant Finder*, has suddenly sprung to life. Here they are in the flesh, *C. Rot*, *Row*, *S. Hill* and a dozen or more of the *Hybrids*. They are living *Hybrids* behind the acronyms of *Hybrids* gardeners. There is

Robin Lane Fox celebrates Hampton Court Flower Show

also a mass of unusual knowledge.

Perhaps you already grow the prostrate *Pratia* County Park? Perhaps you have seen two of the latest daisy-flowered *Osteospermums* from Belgium, which are completely hardy? *Naturalis* your Red Hot Pokers are fashionably green-white in the variety called *Ice Queen*? Perhaps you can distinguish all the forms of *Tree Mallow*, which are now so popular, and tell a *Barneley* from an *Ice Cool* and a *Candy Floss* and still know which is worth growing?

In two hours, I shopped furiously for all these things and learned more about quality and oddities than I could possibly gain from a July afternoon in a garden open to the public. There is a freshness of spirit about the occasion and it is great to see smaller, but not lesser, nurseries having a chance.

My particular favourites would include a wonderful stand of penstemons and summer-flowering perennials, staged by Brian Hiley, whose nursery lies in outer London at Wallington on the way to the M25.

If his table-load has not sold out, there is a mass of good stuff here for any imaginative gardener. I also urge you to look out for the rarest plants of all, shown by Rowden Gardens from Devon, its change of telephone to 0822-510275 has been deceiving me all summer from last year's *Plant Finder*.

On the front of its stand is a sensational *Lily-of-the-Valley*, the leaves of which are striped with a lovely variegation in cream-yellow. It out-classes the other variegated forms, which are rare enough themselves.

It derives from an aristocratic gardener's plant which was passed to a great Polish propagator, Victor Pawlowski, in Devon. He died this January, but about 30 plants were found in his collection and

Rowden Gardens, a connoisseur's nursery.

Although I distrust most novelties, the colour in this plant's leaf does really look to be a winner. It commemorates a propagator who was himself a gardener with a *Hybrids* genius.

If you gave him a packet of the nursery-owner told me, he would turn it within weeks into a pine-forest. The Hampton Court show did not exactly begin as a small packet of matches last year, but it, too, has fired more people to participate and started to grow mightily. It has plants for all tastes and levels of knowledge. Try the train and treat it as an exercise in competitive shopping: like me, you should then have a rare old time.

GARDENING

An Imaginative Garden Designer

very sensitive to the individual needs of his clients, his portfolio ranges from large Country House commissions to City Centre Courtyards. First visit, time and travel without charge. Euro-wide coverage. Hugh O'Connell M.S.G.D. 108 Vender Street, Ousey St Mary, EX1 1HH. Tel: (0434) 512954.

ARTS

Saleroom

Traumatic times

SO, FAREWELL, 1980-91 saleroom season - you were not much to write home about, but you could have been a good deal worse. As Sotheby's and Christie's prepare to pack up for their long summer break (Phillips, Christie's South Kensington and Bonhams keeping plugging away during the dog days) it is time to look back on the most traumatic auction year for a decade.

From a financial point of view it was a disaster for Sotheby's and Christie's, with their London turnover down by at least 50 per cent. But there were also encouraging signs. The speculative collector, who Sotheby's at least did so much to encourage, has disappeared, leaving a potential loss on his purchases, but the traditional connoisseur is still alive and kicking and keen to bid again. Now that price levels have fallen from over-inflated levels.

Post-1870 art, which accounts for around 60 per cent of the turnover of both Sotheby's and Christie's, is still in the doldrums and shows no signs of an early recovery (and classic art, especially those of post-1945 vintage, are a fraction of their price of two years ago). It is the collapse of these markets, plus weakness in British pictures which depend on home grown and American buyers, which have torpedoed the turnover and profits of the auction houses. Most other sectors have held up well during the recession.

The story of the season can be told simply by comparing a few days in December and June, when Sotheby's and Christie's held their major impressionist, modern and contemporary art auctions, and the sales in early July, when an array of top quality traditional antiques was offered.

Radio

Trivial complaint

INDEPENDENT radio stations get little mention in this column, but the Radio Authority's report on complaints made to it from April to June is absorbing. These are not complaints of the it's-a-boring-kind, but suggestions that the companies may have broken the Authority's programming rules in one way or another. They come under the headings of Accuracy, Balance, Bias, Fairness, Taste, Decency, Prominence of Performance, and Miscellaneous. Of 88 complaints, eight were upheld.

Most complained at was Invicta Radio (East Kent), but then they had 61 complaints about the withdrawal of a presenter, Caesar the Boogiemani (alias Chris Ryder), 49 of them duplicate photocopies. Caesar just happened to be involved in two other times - he allowed a guest to solicit for charity, and he was too conservative; but the Authority denies any part in his withdrawal. Invicta was also rebuffed for the dubious forecasts of a clairvoyant, and for a presenter who interviewed over his expulsion.

Of the other complaints upheld, LBC clocked up three - Angela Rippon was "too subjective", Andrew Neil was critical of the health service on a local election day, with no opposing voice; and a presenter said "all these people dealing with leprosy" when speaking to a caller. A listener to Moray Firth Radio complained of a bias against his business in the news; and a listener to Mellow 1567 (Tendring) alleged, rightly, that he was getting less than their scheduled 30 per cent speech. The Authority's report gives extended details of the complaints and their reactions; it is a sad indicator of the quality of listeners, for among the 80 complaints not upheld (which include all those dealing with misleading, harmful and offensive advertising) many are trivial, personal or minority matters.

No doubt complaints to the BBC are on the same level; Chris Drury deals patiently with them in *Feedback*, and the letters to the *Radio Times* are hardly intellectual. But this is too weak for me to complain, for I have *Radio Goes to Town* in my home town, and I can complain live. Instead, let me

B.A. Young

ART GALLERIES

ROY MILES GALLERY
29 Bruton St, W1
071 495 4747
50 PAINTINGS
FROM RUSSIA
Prices from £500
Mon-Fri 10-6 Sat 10-1

THE LITTLE GALLERY, 30 Bruton Street, London W1, 071-495-4747, 10 and 20th Century Works on View, 10th June - 12th July 1991, Mon-Fri, 10am-5pm.

The crisis hit with unexpected suddenness on December 4, when Christie's was still hopeful about its major impressionist and modern sale. After all, it contained a Van Gogh view of his asylum at Saint-Remy, sold by Elizabeth Taylor, and an attractive early Picasso. The auction was a disaster, with 39 of the 63 lots falling to find buyers, including the Van Gogh, bought in at £3.5m as against a £10m top estimate. The auction totalled £10.3m. The next day Sotheby's did almost as badly, making £5.6m. In the comparable sales of 1989 Christie's had added £78.5m to its annual turnover and Sotheby's £68m.

By June, auction houses were skilled at crisis management. Anything stale or sec-

Antony Thorncroft looks back over the season and finds not all is doom and gloom

ond-rate was being rejected and the sales were slumped down. Sellers were being forced to accept reserves well below the low estimates. This realism was needed: an important Toulouse-Lautrec from the Chester Beatty collection, "La Toilette Madame Fabre" sold for £2.4m, but this was well below its £3.5m-£4.5m estimate. Eighteen months ago it would have been expected to make at least £5m.

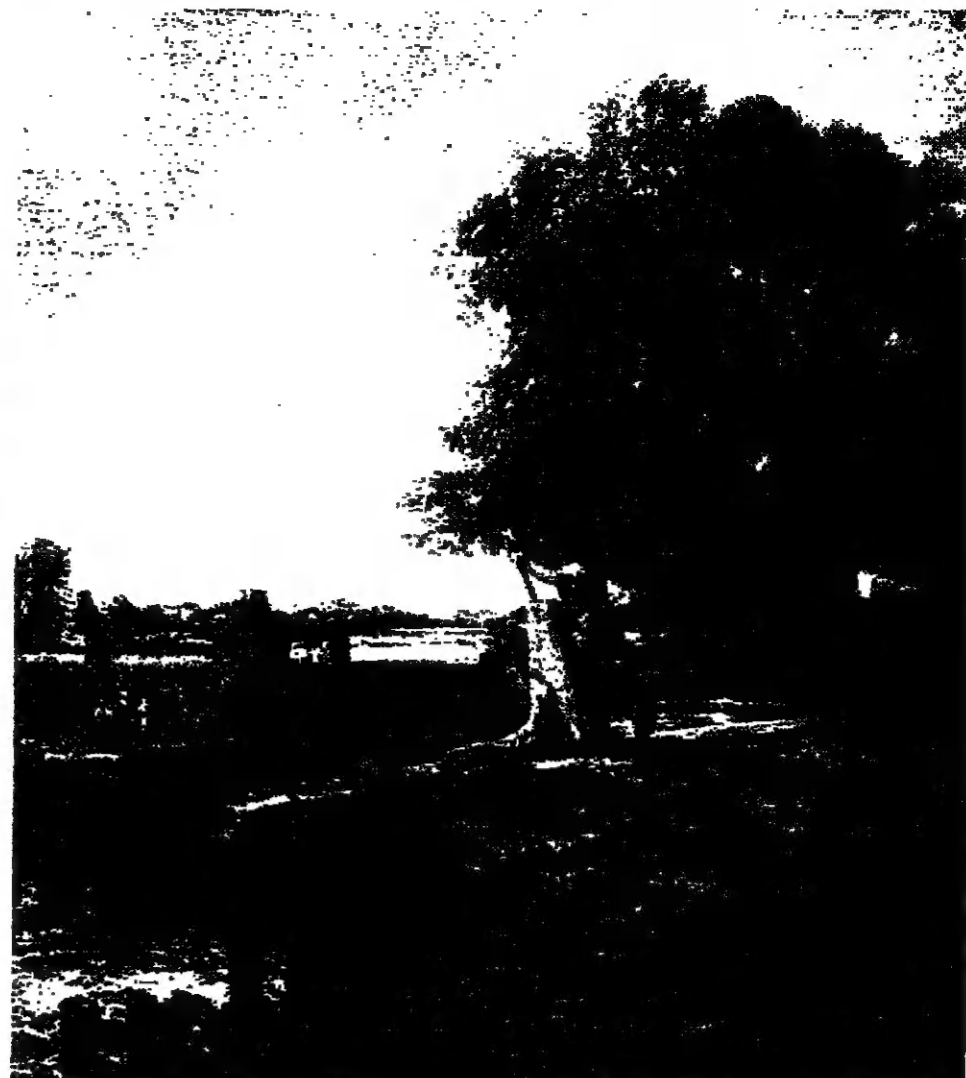
But there were signs that connoisseurs were being tempted by the bargains on offer. An important early Degas painting of racehorses, showing the first touches of Impressionism, made £5.65m at Christie's, above estimate, and one new buyer, believed to be Wolfgang Plochl, an Austrian banker, bought heavily at both auctions, perhaps advised that prices would not fall any lower.

In the last two weeks in Lon-

don there has been little sign of the recession in the salerooms, and some of the prices paid have been breathtaking. Admittedly Christie's kept its estimates low to encourage bidding but the Coke Old Master drawings from Holkham Hall did exceptionally well, the 66 lots selling for £2.5m, double the estimate. English furniture also attracted furious bidding, with a pair of Regency giltwood console tables by Charles Tallant doubling forecast at £274,000.

Sotheby's picked up the momentum and in a European works of art auction a tiny early 13th century bronze of a sleeping youth, 1 1/2 inches high, more the property of the late Peter Wilson, the saleroom's dynamic chairman, made £268,000, double its estimate. Perhaps the best indication of a pick-up in business was the fact that dealers acquired 50 per cent of the lots in a Sotheby's Old Masters sale, which totalled £4.6m, with a Guido Reni of the Madonna and Child with St John soaring past its £100,000 estimate to £253,000. Christie's ran into problems with the Italian Old Masters of Frederick Field, a Hollywood tycoon, but that was because they had only been acquired in recent years and were of minimal interest to the trade. Last Tuesday Christie's set a record for an English drawing when a Gainsborough of Georgeina, Duchess of Devonshire, sold for £616,000 and the next day a Hogarth conversation piece sold well at £401,500 at Sotheby's.

A feature of the season has been the emergence of private buyers. British dealers, with under, over-valued stock, have had neither the inclination nor the money to buy. However, especially in sectors dependent on British and American buyers, reflects the state of



'The Lock' by Constable, which was sold for £10,780,000, near the bottom of the £10-£15m estimate, by Sotheby's in November last year

and the German, have done their best to keep London in business. The strength of private buying was most noticeable at Phillips. Chairman Christopher Weston reports that whereas a decade ago 70 per cent of lots went to the trade and the rest privately, now the proportions have switched.

Obviously the art market, especially in sectors dependent on British and American buyers, reflects the state of

national economies, even down to redundancies. Christie's slumped 10 per cent of its staff during the season, and although Sotheby's is currently down only 5 per cent, more will go when it closes its Billingshurst operation next year and opens its new, mid-priced antiques auction house in the London suburbs.

Only when people feel richer will demand pick up. London's reputation as the dominant European art market enabled it

to avoid the worst of the recession. The last equally bad season for the auction houses was 1980-81. If there is another downturn in 2000-01 London will not escape so lightly. By then Sotheby's and Christie's will be selling French antiques through Paris; German in Berlin, etc. This is starting to happen, with Sotheby's holding sales in Berlin and Milan this season. Despite the profit fall the drive into the continent was maintained.

Stravinsky, by himself

THIS IS a treasure-trove: musically inexhaustible, wonderfully various, and historically unique - at least until another great composer comes along who can conduct, and is lucky enough to find a record company eager to present his or her oeuvre on disc, or whatever the next medium may be.

"Unique" is meant quite seriously. Neither Bartok nor Shostakovich was so lucky, let alone any of the "Second Viennese School" trio, Debussy and Ravel lived too early. Among more recent major composers only Britten and Messiaen, I think, have managed to have a direct hand in many recorded performances of their music, and nobody would claim for either of them a range or influence comparable to Stravinsky's. Among very recent composers only Boulez and Stockhausen have come close - and the jury is still out on them, not to mention Maxwell Davies and Birtwistle.

This CD collection comprises nearly everything Stravinsky wrote (only a few tiny pieces are omitted, at least in some version (the "easy" piano pieces and duets are represented only in the later orchestral guises), and nearly always by performances in which the composer was closely involved. Most were American CBS recordings made in the 1980s. When Stravinsky was too frail to conduct, his creative amanuensis Robert Craft stood in for him. A decade ago they were compiled in a grand LP edition; Sony's new CD assemblage has been re-engineered with devoted expertise by John McClure, the producer of most of those performances. Anyone who has lived with some of the LPs of these years will discover freshly illuminated details.

That collection has expanded now to take in excellent CBS performances of other works (Charles Rosen in the Sonata for piano, for example), and a few "historical" recordings which feature Stravinsky himself as pianist: the 1924 Serenade in A, the "Piano-Rag Music", the Duo Concertante with Szigei and above all the splendid two-piano Concerto with his son Soulima. It was quite right, too, to fill part of one disc with eavesdropping on Stravinsky's orchestral rehearsals. On the other hand the Suites from *Petrushka* and *Pulcinella* are surely otiose, since we also get complete per-

formances of those works made by the same hands at the same times. At least the integral *Firebird* and the 1945 *Suite*, recorded five years apart, display intriguing little differences. Still, one or both of Stravinsky's two earlier recordings of *Le Sacre* (here we get his last, from 1950) would have enhanced the prospectus far more. We may guess that the prospect of marketable subsections explains the final choice, for the complete box divides into 12 separate "volumes" of three CDs, or two, or a single

Igor Stravinsky 1882-1971: The Edition. The composer himself as pianist and conductor, with many soloists and orchestras. Sony Classical SX22K 46 290 (22 CDs with notes and texts, in a sturdy plastic case).

one - with the famous early ballets in one 3-disc volume, the later ones in another, and the three popular Suites on a separate disc. If you buy the lot, you buy the Suites wil-ly-nilly.

Should you respond to Stravinsky in principle, then you'll want to buy the lot; in practice, the best way into the tougher (often the later) Stravinsky is to hear what he was doing just before. Nevertheless, I want to look this gift horse in the mouth. A national £200 for "The Edition" is no mean sum, though you might find a discount somewhere. £200 divided by twenty-two comes out not far below the top price for a modern CD - but here for mostly long-familiar, pre-digital recordings.

The sturdy plastic case is nice, simple and black. The basic programme book is impressively thick, because it is printed as usual in English, French and German. What it comes down to is (a) a pair of testimonial effusions by the recording executive Goddard (Charles Rosen in the Sonata for piano, for example), and a few "historical" recordings which feature Stravinsky himself as pianist: the 1924 Serenade in A, the "Piano-Rag Music", the Duo Concertante with Szigei and above all the splendid two-piano Concerto with his son Soulima. It was quite right, too, to fill part of one disc with eavesdropping on Stravinsky's orchestral rehearsals. On the other hand the Suites from *Petrushka* and *Pulcinella* are surely otiose, since we also get complete per-

would be tendentious. For many individual works, comments by Stravinsky himself are reprinted - provocative but generally brief, with little to say about individual movements or sections. Other hands have been commissioned to write short notes on other pieces, quoting Stravinsky himself wherever possible. For the larger works, that is often grossly inadequate. Every song text is printed trilingually - or quadrilingually, when it's sung in original Italian, Latin or Russian; but since Stravinsky's most wholeheartedly Russian theatre-piece, *Les Noces*, happens to be sung here in English, its Russian words are omitted without comment or apology.

In practical modern detail, the documentation is utterly shoddy. There's no indication of the language in which anything is sung, nor any general index.

Timings are printed for each whole disc, and for each movement of a work - but not for any whole work. For seasoned Stravinskians, the audible product will certainly justify itself many times over. Greener listeners will have to find for themselves with the offhand, user-unfriendly assemblage, so mean with musical guidance. The marvelous archive deserves far more scrupulous handling than its Sony inheritors have bothered to give it.

David Murray

Andrew Clements

Sotheby's Sale of Fine and Rare Wines, Spirits and Vintage Port



WEDNESDAY 17th JULY
AT 10.30AM & 2.30PM

Our July Sale features a collection of Magnums and Jeroboams of old vintages of Bollinger RD, direct from the personal cellar of the late Madame Lily Bollinger, together with splendid 1983 Sauternes/Barsac, top Charet and Burgundy.

Enquiries: Serena Sutcliffe MW, Stephen Mould or Michael Egan 071-924 5227, Sotheby's Wine Department, 5 Albion Wharf, Hester Road, London SW11 4AN.

THE WORLD'S LEADING FINE ART AUCTION HOUSE
SOTHEBY'S
FOUNDED 1744

Carrington's

Auctioneers of
Antique & Reproduction furniture & effects
Next sale Saturday July 20th
Viewing Friday July 19th
Bring your goods in for sale now!
148 The Grove, Stratford, London E15 1NS
Telephone: 081 519 8430

William Packer

ST. JOSEPH'S HOSPICE

MARE ST. LONDON E8 4SA
(Charity Ref. No. 231323)
There is never a time in caring, when no more can be given, no more can be learned, no more can be said. Thank you for listening, and for sharing so often the joy of your giving with the gravely ill patients in our care.
Sister Superior

Wendy Brown

CH E S S

REGION

ITV Region as London except at the following times:-

BORDE:
1.05 News, 1.10 The Silk Road, 2.10 The Life
and Times of Grizzly Adams, 3.05 The Second
Time Around, 4.05 The A-Team, 5.05 News, 5.15

CENTRAL:
1.55 News 1.40 Made in Heaven. (1952) 3.10
The Riviera Touch. (1956) 3.55 News. 5.15 The
A-Team.
CHANNEL:
1.55 Dairy Dads. 2.10 Motorsport Special. 1.40
Soccer in the 70s. 2.10 The Life and Times of
George Adams. 3.05 Cartoon. 3.10 Fethom.
(1957) 3.55 News. 5.15 The A-Team.
GRANDPRA:
1.55 Headlines, followed by Le Duracch. 1.60
This is America, Charlie Brown. 2.15 Corona-
tion. 3.05 Freddy Freeman. (1952) 5.55
Headlines. 5.15 The A-Team.
ORANADA:
1.55 News. 1.10 Hand Time on Planet Earth.
1.55 The Great Show on Earth. (1952) 4.50
Cartoon. 5.05 News. 5.15 The A-Team.
HTV:
1.55 MTV News. 1.40 True as a Turtle. (1956)
The Book of Daniel. 2.10 The A-Team.

5.15 The A-Team.
MTV Wales as MTV except
 No variations.
SCOTTISH
 1.05 Scotland Today, 1.15 Sealf 1.40 The Wonderful World of Disney, 2.35 The Munsters, 3.05 Demetrius and the Gladiators, (1954) 6.05 Scotland Today 5.15 The A-Team, 6.25 Scottish Weather.
TELE
 1.05 News 1.10 Windsor! 1.40 The South West Week, 2.10 The Royal Show, 2.40 The Man Who Shot Liberty Valance, (1952) 5.05 News 5.10 Gus Honeydew's Magic Rhinoceros.

1.05 News, 1.10 Motorsport Special, 1.40 Soccer in the 70s, 2.10 The Life and Times of Grizzly Adams, 3.05 Cartoon, 3.10 Fathom, (1967) 3.55 News, 5.15 The A-Team.

TONS TONN:

1.05 Regional News, 1.10 Mallock, 2.05 Horse Trials, 3.05 McCloud: A Cowboy in Paradise, 5.05 Northern Life, 5.15 The A-Team.

ULSTER:

1.05 Ulster Newstime 1.10 Wrestling, 1.40 The A-Team, 2.40 Euro-Statesboard Championships, 3.10 The Legend of The Lone Ranger, (1981) 4.50 Cartoon Time, 5.05 Ulster Newstime 5.15

1.05 Calendar News and Weather. 1.10
McCloud: Give My Regards to Broadway. (1977)
2.25 The Scarlet and the Black. (1983) 5.05
Calendar News and Weather. 5.15 The A-Team.
5.4C *Wales on Channel 4* 5 episodes
8.25 Stot Sadwrn. 12.30 Khabaddi. 7.00 Newydd-
ion. 7.30 Gemau Heb Ffinau. 8.40 Cwmeli
Cymru. 8.55 Eisteddfod Rhyngwladol Llangollen
1991. 10.50 Frank's Place. 11.20 Manhattan
Cable.

REGIONS

ITV Regions as London except at the following times:-

bers Only. 2.30 Mountain Bites Challenge. 3.30 Birds of Fear. 5.05 Hard Time on Planet Earth. 6.00 Hairloom. 6.35 News. 10.55 John Corsetti. 11.55 Android.

CENTRAL:

12.30 Gardening Times. 12.55 News. 2.05 International Sportsweek. 3.50 The Girl, the Gold Watch and Dynamite. 4.00 Special. 5.05 Hard Time on Planet Earth. 6.00 Wheel of Fortune. 6.35 News. 10.55 Love Thy Neighbour. (1975)

CHANNEL:

12.30 Reflections. 12.35 Les Francs Chacous. 12.50 Tote-Poem. 2.05 Wonderful World of Dixie. 3.00. Foeu Bourneil. 5.00. Les Secret

News. 10.55 Human Factor. 11.25 Up the Junction.
GRAMPLINK
 10.45 Interbang. 11.15 Sunday Service. 11.45 Link. 12.30 Jack Thompson Down Under. 12.55 Headlines. 2.05 Out of Limits. 2.15 Windurst 2.45 Tail Ship Race. 3.00 Katts and Dog. 5.30 River Thames. 6.00 Munro Show. 6.35 News. 10.55 Cell Block H. 11.55 Munro's Today.
GRAMADAM
 12.30 Jack Thompson Down Under. 12.55 News. 2.05 Santa Barbara. 3.00 The Dolly Sisters. 5.00 Bulleseye. 5.35 Coronation Street. 8.35 News.

HITV
12.30 West Country Farming. 12.55 News. 1.10 Georges Bizet L'Arlesienne Suite. 2.00 People on Sunday. 2.30 Newswestk. 3.00 Rugby Union. 3.55 The Pressure Of His Company. 6.00 Getting Them Early. 6.35 News. 10.55 Great British Light. 11.25 Stud With Klammner.
HTV Wales on HTV Cymru
12.30 Survival. 1.10 1991 Cutty Sark Tall Ship Race. 1.55 Rugby Union. 2.40 Tall Ships Race. 5.05 Torfaen Borough Welsh Games. 6.00 Wales on Sunday.

SCOTTECH
In the Mountains. 8.55 A Look At The

Scotland Today, 2.00 McClood, 3.25 Bullseye,
3.25 Desires, 6.00 Scotland's War, 8.35 Scot-
land Today, 8.00 Weather, 10.55 Give Me Your
Answer True, 11.55 Wolf.
TBS
12.30 Farming Week, 12.55 News, 2.05 Coronation
Street, 3.00 Hard Time on Planet Earth,
3.55 The Hour of Decision, 5.30 Documentary,
6.00 Coach, 6.35 News, 8.00 Weather, 10.55
Phillip Marlowe, 11.50 On the Live Side.
TV-2
12.30 News, 12.35 Agenda, 12.50 Weather, 2.05
Wonderful World of Disney, 3.00 Beau Brumm-

Factor, 11.25 Up the Junction.
TYNE TRIPS
 12.25 Land of the Dragon, 12.55 News, 2.05 Highway to Heaven, 3.05 Tall Ships at Cardiff, 5.05 Bultays, 5.35 Coronation Street, 6.35 News, 10.55 Prisoner Cell Block H, 11.50 Coach.
YOUNG PEOPLE
 12.25 Heidi in the Mountains, 12.50 News, 1.10 Wonderful World of Disney, 2.10 Rugby Union, 3.05 War Lover, (1982) 5.05 Last Frontier, 6.00 River Thames, 6.35 News, 10.55 Altered Hitchcock Presents, 11.20 World Student Games.

SUNDAY

to Microwaves.
mitize.
of Faith.
and Weather.
ose.
World Service.

24 Hours.
 Reports,
 1st.
 Edition.
 of Sport.
 ility Business.
 on Matters.
 and Sport.
 in Germany.
 and Sport.
 iversity.
 Sport.
 iversity.

the Line.

SERVICE

Europe can be
Western Europe
Weeks 6:00 MZ
following times

News, 6:30

Wednesday, 7.00
5.30 Jazz For The
World News,
y-Four Hours;
ary, 2.30 From
Correspondent.
On, 9.00 World
Words Of Faith.
With Matthew.
i News, 10.05

Speedman gave the best game award to this queen sacrifice (MA Shaw, White; JE Fleischer, Black; French Defence).

1 e4 e6 2 d4 d5 3 Nc3 Bb4 4

Leonard Barden

BRIDGE

CROSSWORD

ACROSS

1 Still water in old-fashioned kitchen sink? (8)

20 Sex drive? Look about in the same place! (8)

8	Turn the exposure to decay (5)	DESERT STATUE
3	Smoking jacket (6)	S O L T E R S
5	Jazz-on merits arrangement (10)	EXCITED ENICH
6	Bang up motorway the wrong way still follow (8)	I T E S G H I
7	Animal could be roaming South (8)	HAUBATING AGIN
5	Easy manners in highways without tolls (8)	D P N O A S U B
8	Tubby dogs with authority? (10)	INSIGHTY COLOMBO
		G E A K U M N
		OBVIOUSLY ANGLE
		W Elliott, Kinross, T Flavell

BRIDGE

CROSSWORD

No. 7,593 Set by DINMUTZ

Prizes of \$15 each for the first five correct solutions named. Solutions must be received by the editor no later than 10:00 a.m. on the day after the crossword is published.

CROSSWORD

1A _____

4A _____

5A _____

10A _____

15A _____

16A _____

17A _____

20A _____

21A _____

22A _____

23A _____

24A _____

25A _____

26A _____

27A _____

28A _____

Name _____

Address _____

1	Old penny chimes and accumulates (5)	O N I N G	H U B B U S	B U F F A L O
2	All the explosives in deadly (6)	C O A L	P E T R O L	P H O S
3	Smoking-jacket (8)	E D W O R D	S I L H O U E	T Y E
4	Jazz-man merits a new arrangement (10)	E W E L P C H E T I C N		
5	Bang up motorcycle the wrong way see below (8)	E D W O R D	S T A T U E	
6	Hang up motorway the wrong way see below (8)	E X C H I T	E D I T H S	
7	Animal could be roaming South (8)	I N T E R	E N I G M A	
		M A U L T I B A T I N G	A G I N	
		S P E R Y	P H O A	S U B
		I N S P E C T	C O L O M B	

17 Myndat, birange conineu (8) Ray, Cranleigh, Surrey, J van
18 One does not normally keep a Rees, Witherslack, Cumbria
bowler on (8)

Take him seriously? He could be joking

Nigel Andrew asks Woody Allen why he is using his famous comic persona less in his films

"IT'S JUST pure instinct" says Woody Allen, challenged to explain how a comedian creates comedy. "It's like an ear for music or a talent to draw. I can't imagine not being able to write jokes. I used to go in and write 50 gags a day when I was 15 years old and working for a press agent in New York. Every day, 50 gags after school: hand them in, then go home. I have no idea why I can do it. It's just a talent, a lucky talent."

Woody Allen is the most famous screen comedian since Charlie Chaplin. Like Chaplin, his face and appearance are so distinctive that you could sketch them on an envelope and they would be recognised from Bali to Birmingham. Like Chaplin, he writes, directs and controls his own movies. And like Chaplin his work has darkened as he has grown older.

For 15 years, from his first album to the film *Annie Hall*, Allen was the king of comedy. He made us laugh not just because he told jokes but because he invented a quintessential 20th century persona. He was the Hopeless Loser: the malfunctioner in a world of sexual liberation and social oneness, of machines and psycho-analysis, health fads and bureaucracy. Audiences identified with this human gadfly with the black-rimmed spectacles, insect-whine voice and shoulders made for passionate shrugs. When he made cracks like "I don't want to be immortal through my work, I want to be immortal by not dying," they laughed the laughter of psychic recognition.

I went to meet Allen and learn why we are seeing more of his dark side; to discover what has made the director of *Bananas*, *Annie Hall* and *Manhattan* make grim-faced films, out of Ingmar Bergman by Anton Chekhov, such as *September* and *Another Woman*. And why he is retreating behind the camera instead of delighting us in front of them. He was shooting a film in a 57th Street penthouse. I found him on the pavement but failed at first to recognise him. The world's highest-profile humorist was wearing a floppy-sun hat that shaded unexpecting features of a handsome man. If you need proof of Allen's legendary reclusiveness, only look at the complexion; it seems to have been withheld from the sun for about 55 years.

Was he shooting his new film *Shadows and Fog*? "No, I've finished that," he said in the lift. "I'm doing a commercial for Italian TV." So when do we see *Shadows and Fog*? "It's coming out in the Fall over here. In Britain, I think, next year."

"It's an offbeat comedy," he

elaborated, as we sat on a sofa in a room that seemed to have been flown in from the Italian *quattrocento*. "It's set in Europe about 70 years ago and it stars some people you may know. Madonna, John Malkovich, Mia Farrow. I'm in it too."

Why do human beings need and enjoy laughter - and does it do them good?

"I do know that they've found that it does you actual physical good. There's an emotional helpful laughter that gives real release, unlike the hysterical laughter that you know is the flip-side of manic depression. But there's pleasure in other responses to humour; even when it's not out-and-out laughter, when it's the inner appreciation of wit. There's a pleasurable sensation that comes over the whole body, like if you're listening to music. Comedy's very abstract, very indefinable. But I do believe it's completely positive. And it's addictive too, but with no drawbacks."

Someone in Allen's recent *Crimes and Misdemeanors* said comedy was "tragedy plus time." That is, given a decent interval, any human disaster, from the sinking of the *Titanic* to Treblinka, can become the source of laughter.

"Yes, I think comedy and tragedy are two faces of the same thing. But they work differently. When something terrible happens, the comic muse will keep it at arm's length and deflect it and turn it into a joke or into wit; whereas the tragic muse will embrace it and work it through. One evades, the other confronts. People say comedy is 'harder to do', but I think that's because it needs

"As long ago as *Annie Hall*, people were saying, 'Why isn't he still making *Bananas*?'"

specific technical skills. Tragedy is ultimately more satisfying - comedy's not as profound a confrontational experience."

The Woody Allen persona - sun hat doffed and black-rimmed glasses donned - takes shape before me like a celebrity photo-fit. This is the Allen the world knows. Or does it? With *Shadows and Fog* completed and its predecessor *Alien* - a whimsical comedy about a rich Manhattanite (Mia Farrow) breaking loose which is due to reach Britain next week - Allen has notched up 20 feature films. But as the total has risen his appearances have become less frequent.

"Perhaps it's best people don't get so much of me," he says. "If I'm in every film, there's a risk of saturation. And for me as a film-maker, it's



important to evolve and change. It's a big trap when people approve of what you do and pleasterably anticipate the next thing. It becomes a tacit contract. As long ago as *Annie Hall*, people were saying, 'Why isn't he still making *Bananas*?' But if you simply aim to please the public, to give them what they enjoyed the last time round, you stagnate."

Allen maintains a unique, relationship with Orion Pictures. He is free to write his own scripts and choose his own casts; he has right of final cut. "They [Orion] don't bother me. We have a relationship of trust. They know I'm not going to make a crazy or pornographic film. And they know my pictures are not expensive."

But they surely had a seizure when Allen made his most famous recent decision: to re-cast and re-shoot the whole of his grim Chekhovian drama *September*. "I'd do it a third time if I could! The logistics were manageable because it was all on one set. I couldn't have done it with a film like *Another Woman* or *Alien*."

"But I did re-shoot the section I started in of *Crimes and Misdemeanors* [the two-story-in-one film] which is 50 per cent of the movie. I wasn't happy with it. It wasn't sharp enough or funny enough. So I completely re-wrote it and brought in the Alan Alda character, who was brand-new at that point."

Casting comedy can clearly be agonising. "There are no magic moments. From day one, when the truck with fresh compromises backs up [rare Allen chuckle], your high hopes go out the window! The only satis-

fying moment is when the idea for a film first hits you and you have that wonderful first flash of excitement. You think, 'Oh this is going to be so great. It's going to be one of the greatest films ever made.'"

"And then reality encroaches. By the time you're in the editing room, you're struggling to survive. It's always 'This subtle idea won't work, but let's get something together so the audience gets some pleasure.' Finally, when the film comes out, it's been like a chest labouring over a meal for endless hours, and you look at it and you never want to taste or touch it!"

"Consequently, once I put the film out in the theatre I never go back to it again. I've never seen any of my films after they have come out."

Allen's bleak vision of artistic perfection matches the pessimistic gaze he casts on the world's imperfections. If we miss Allen's comic touch in his serious films, perhaps we undervalue the serious touch in his comic films. He spent most of *Bananas* and *Her Sisters* searching for God. He had a mid-life crisis in *Stardust Memories*. And mention *Zelig*, his spoof documentary about a "chameleon man" who rubs up against Hitler and other bigwigs, and Allen pounces.

"It was about a guy who had a compulsion to be like other people. The basic idea was that the desire to conform leads to Fascism."

As with Chaplin, who first sloughed his tramp costume to play Hitler, tyranny is a favourite target. Like many American comics, Allen is Jewish. Jewish jokes abound in his films and references to the

Fuhrer are as legion as in the work of his rival Mel Brooks.

But more immediate world evils may be less easily laughed off. Though comedy has traditionally poked fun at authority figures, what happens when the authority figures seem ever punier or more compromised? Or when, as in *Crimes and Misdemeanors*, bad works flourish while the "eyes of God" cloud over or close completely.

"One of the themes of the film I've just finished is this

notion of evil. And I notice that 'Evil' is the current cover of Time magazine. It's a reflection of the world we live in: the fact that there is so little justice and that in our society, at every level right up to the White House, what you can 'get away with' is what is allowed."

"People know that Bush was lying in his Presidential campaign. I used to think that when people elected Nixon, it wasn't that they didn't see he was lying. It was that they knew he was lying, but something resonated positively in them about him. They knew he was like them; so they voted for him because he personified their own values of acquisition, of mendacity. Every boy I knew back in the Fifties, when Nixon ran for vice-president with Eisenhower, knew the man reeked of sleaze. And we were kids; you didn't have to be a political pundit."

Perhaps at the heart of Allen's darkening vision, it is the world's failure to find convincing authority figures, spiritual or temporal.

"My generation grew up with no real religious beliefs and our leaders have not been good moral examples. So each individual makes his own choice as to how to live. You can decide to lead an honest, morally responsible life. Or you can go the other way and side with evil. As I said in *Crimes and Misdemeanors*, if Hitler had won the war we'd have totally different textbook views of history and morality. Our views are defined by those powerful enough to shape the world and write its history."

The man on the sofa with me is turning into Savorola by the minute. But the fascinating thing about Allen's voice when roused to anger or passion is that it is recognisably the same as when roused to humour: that Brooklyn-born sing-song rich with indignation and incomprehension. I hear echoes of Allen in *Annie Hall* delivering his anti-West Coast diatribes ("The only cultural advantage in Los Angeles is that you can turn right at a red light"), or in *Crimes and Misdemeanors* recalling the day his wife stopped having sex with him. ("It was April 30th. I remember because it was Hitler's birthday.")

No one in this century has raised complaining to a higher art or questioning bewilderment to a wittier one. In a world where the phrase "our betters" has been largely discredited perhaps the true voice of authority is not the one which pretends to give answers but the one which goes on asking awkward, querulous, passionate questions.

The wages of greed

Dominic Lawson



SOMEHOW I find it very difficult to feel sorry for the councils which have lost £100m in the collapse of the Bank of Credit and Commerce International. But then I also feel few pangs of sympathy for those who had sunk their funds in Barlow Clowes. This may be because I am a hard-hearted, unfeeling person, who cares only for his own financial well-being. But I hope there is some other reason for my dry-eyed state.

As I recall, both BCCI and Barlow Clowes attracted money by offering rates of return higher than those generally available elsewhere. It is clear that those investing in these institutions had probably never heard of them until they made the decision to entrust their money with them. In the case of BCCI almost the only thing that the financial officer of a council might have known was that the bank had been involved in money laundering for General Noriega.

As Christopher Hitchens writes in the current issue of *The Spectator*: "Hands up, anyone who thought there wasn't a fraud at BCCI, the world's most bizarre bank."

When people entrust money to such an organisation, particularly if they are councilors with responsibility for financial affairs, they do so because they are prepared to take a risk in return for a higher reward.

Barlow Clowes specialised in so-called "off-shore" funds, and these offered rates of return exotic even by the standards of the Channel Islands or Grand Cayman. Yet people are attracted to the notion of "off-shore" precisely because it has the connotation of tax avoidance, of unorthodoxy. To be blunt, they are greedy and an excess of greed can have spectacularly unfortunate results. What is more, it is essential that it can. Otherwise, there is no premium in being rational in one's evaluation of risk and reward. If one knew that the government would always

reimburse, then one would always invest in the riskiest high-interest funds, crooks would flourish as never before, and honest fund management companies and banks would suffer.

At a lunch last week, I met a venerable Lloyd's underwriter. I asked him what he felt about those whose savings had been diminished by the activities of some of his younger colleagues. Tears did not spring to his eyes.

"I have always said to my names, 'Come to Lloyd's and see where your money is going, the risks I am putting your name and your money to.' But hardly any of them bothered. They seemed to think it was some coupon-clipping exercise. Now they are complaining that they didn't know what Lloyd's was doing with their money, but they didn't show any interest when it was actually being put at risk."

I should add that a close relative of mine has suffered greatly as a result of the debacle in the London insurance market. I feel a great anger against those who have lost her money, but I do not believe that their victims should be reimbursed by taxpayers, the overwhelming majority of whom will never accumulate enough capital to be Lloyd's names themselves.

If I am being completely honest, I must admit that there is in my ungenerous reaction, an element of self-righteousness. I have always been absurdly cautious with money, to the extent that I have turned down every interesting opportunity for investment that has ever been offered to me. When I have inherited equities, I have generally turned them into property, share-interest accounts, with a matinee bank or building society, keeping only the blindest of blue chip shares.

In other words, while I am not particularly interested in making a lot of my money, I am terrified of losing any of it. So, when I read of disasters such as BCCI or Barlow Clowes, I feel the warm glow of prejudice confirmed. I am Dominic Lawson is editor of *The Spectator*.

Gracious living, spacious living. Imagine living in Kensington Green.

Kensington Green. The finest new residential address in London.

Imagine 19th century architecture at its most gracious. Supremely elegant, dignified, restrained.

Imagine an unusually spacious setting, in which architects, designers and landscape gardeners have been allowed to give their talents full rein.



THIS IS KENSINGTON GREEN

For once, the phrase 'a rare opportunity' can be used in good faith. These houses and apartments are undoubtedly amongst the finest in London.



A residential development by St. Mary Abbots Ltd., a joint venture between Taylor Woodrow Capital Developments Ltd and Mitsui Kinokuniya (UK) Ltd.

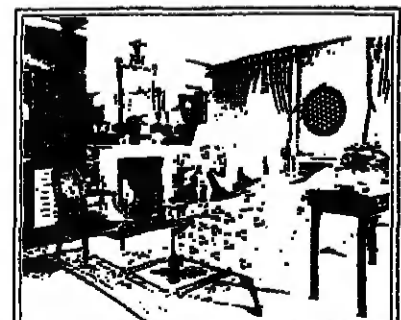
ROOM TO BREATHE

If you are looking for a substantial property, you will not be disappointed. The houses have 5 or 6 bedrooms, 3 or 4 bathrooms, private walled gardens and garaging for two cars.

Two and three bedroom apartments have at least 2 bedrooms and all bedrooms and reception rooms are generously proportioned. The one bedroom apartments make perfect pied à terres. Car parking is available underground.

ELEGANT

Craftsmanship and attention to detail is evident throughout Kensington Green. Period detailing in the houses. Covings and joinery. Marble fireplaces

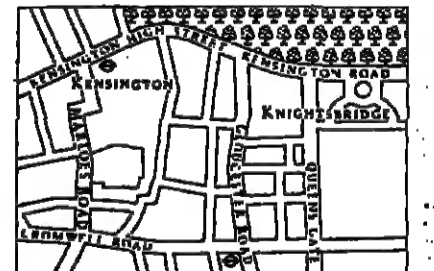


and natural granite worktops. Hand painted panels and brass door furniture. Brick, stucco, mahogany and wrought iron.

The kitchens feature furniture by Bulthaup, appliances by Atag, floors by Amtico, and each entrance hall has its own unique marble floor.

LOCATION

Kensington Green offers a refuge from the hustle and bustle. It's easy to forget that you're in Central London.



Yet good shops are nearby. So are good schools. And of course you are superbly well placed for road and public transport connections.

SECURITY

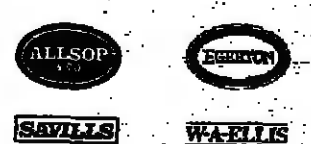
You can rest secure in the knowledge that no precaution has been overlooked. An estate manager, A resident head porter. Video entry phones. TV surveillance. This is just a part of the security arrangements.

WHERE TO FIND OUT MORE

Living in Kensington Green is an unusually attractive prospect, so please call us without delay. Telephone Kensington Green for further details and a private viewing or contact your preferred agent for an appointment to view. You will see just what a rare opportunity this is.

KENSINGTON GREEN
LONDON W8

Telephone: (071) 938 3350



On the run with the last dry

Ralph Atkins

LUNCH with the last remaining Thatcherite government minister was not of the gastronomic and gossip-mongering excess to which I have become accustomed since joining the media troupe in the cramped turret offices at Westminster. Our deliberation, of course, never took place. Just as the prime minister's press secretary never gives unattributable briefings, so the upstairs room at Chico's restaurant in Covent Garden - an establishment for the influential and wannabeinfluentials - never witnessed our meeting. If you press me, I shall deny it ever took place.

Lunch is such an established part of Britain's 700-year-old democracy. Ministers are humoured, freed from their red boxes and unctuous mandarins, to drink Chablis at the expense of unknowing newspaper proprietors, like gossamer sharing a watering hole with the lions.

Journalists laze, looking for the winks and inflections over chicken breasts and chocolate roule. Then they hitch a lift in the walnut-panelled ministerial cars for a late start to the day's legislative business.

That was not a game-plan my ministerial guest shared. I had scarcely taken my seat at a quiet table by the window, when there was a tinkle at the door. Defensively, I rose from my seat: "Ralph Atkins, my pleasure to meet you."

"Hi," the minister replied with maximum efficiency, his eyes sparkling with bono. "Let's eat."

The grey-haired waiter in blue shirt and matching duffle-bow, clicked to attention, thrusting over long menus into my hands and the minister's.

"No, no, I'll just have some salmon and salad," my guest insisted, laying his menu on the table. I jerked; my eyes had not got

beyond the starters on Chico's beach-themed menu.

"Would sir like a first course," the waiter asked, still wondering if he should know who the minister was.

"No, just cold salmon with salad," the minister decided, not realising that Chico's does not descend to simple fish.

"I will see what the chef can do," the waiter offered, but the minister had not finished.

"And I'm in a bit of a hurry," so as quickly as possible, he said.

I blanched, the waiter bellowed: "I can only go as fast as I can," he sniffed before

HAWKS & HANDSAWS

taking my hastily-selected order.

Conversation started with generalities but soon, ado was eschewed, and off we went on a journey around European Community directives, legislative by-ways and brain-stretching free-market theology.

The minister's identity, by lobby hacks' rules, has to be secret. It is not a great loss. Recently-appointed, his name and handle would only be familiar to few even in his constituency.

But he is an unashamed avatar of Margaret Thatcher, a Jacobite zealot, for whom a mere rout would not temper his fanaticism.

My mind wandered in despair. Behind, England's football manager sat with rotund colleagues, quenching sporty thirsts with wine from silver ice pails. At

the next table, a regimental gent and florid lady discussed the recession.

"Can you see an economic recovery yet?" I asked the minister, trying to rescue our conversation.

"Yes, you can tell by how full the restaurants are," he ventured unconvincedly. "And have you seen how much champagne they are drinking in the City? Unless it's for redundancy parties."

Hurray! The food arrived. A waiter, far more interested in English formations than Adam Smith's philosophy, ground the pepper mill with menace. The minister grasped his cutlery, his shirt sleeves riding up the arms of his jacket as if flaring for battle.

Desperate to blather, I turned the talk to Mrs Thatcher. "It's so sad what happened," the minister said. A colleague had had her to stay for the weekend: "He's exhausted."

"Major? I suppose he was who most people wanted?" Thatcherites, the minister insisted, doggedly, would go on and on in dry Whitehall enclaves, awaiting the day one of their number will lead a resurrection. It was the sleeper theory.

We drank coffee with dash, the minister minding his watch. As he stood to go, I asked for a lift. He looked aghast at the professionalism of the begging.

"OK," he muttered and I jumped in the back of the saloon.

As we glided along, I struggled with the rear safety belt. "I didn't realise they were compulsory either," the minister confessed. "We are living in a nanny state."

A few hours later, the minister was performing at the Commons' despatch box, as earnest as ever, his eyes still glaring. I sighed. Didn't he see, politics need not be so intense and grey? Better be careful, he could become prime minister.